

# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, DECEMBER 10, 1926

### *Superintendent of Agencies* WANTED

THE senior vice-president of an established life-insurance company wants a man to assist him in the management of the Agency Department, with a view to qualifying as quickly as possible for the position of Superintendent of Agencies.

Exceptional opportunity for a man of real creative ability to do a big piece of constructive work. Salary \$6,000 a year at the start, increasing as rapidly as capacity is demonstrated.

Requirements: Age 28 to 35, sound character, a record above the average in finding new men and putting them in the business, at least an average record in training and handling them, and a fair record as a personal producer.

State age and give actual experience in detail, including past and present connections. Replies will be treated in strict confidence.

ADDRESS U-3

c/o THE NATIONAL UNDERWRITER  
INSURANCE EXCHANGE  
CHICAGO, ILLINOIS.

# The Next Ten Years For You?

**F**OR THIRTY YEARS, the Central Life has been laying the firm foundation on which our present Agency Staff, and the new men who are being carefully added to our selling and managerial forces, may build.

**C**HARTING THE FUTURE,—as far as it is humanly possible so to do,—the Central Life appreciates, and here takes occasion through the medium of the National Underwriter to express,—its need for men of character and ability to become factors of, and participants in an assured and deserved development.

**Y**OUR OWN FUTURE, as a life insurance salesman, may be dependent for its fullest expression upon a number of things; upon methods of field procedure; upon securing the proper balance between your knowledge of life insurance as a system, and the selling of life insurance as a service; upon your geographical location; upon the selection, training and supervision of your agency associates; upon the effectiveness of Home Office cooperation; above all, perhaps, upon a relationship which allows **you** to chart **your** future for a ten-year period or more.

**S**UCCESSFUL CAREERS, when analyzed, are found almost invariably to be predicated on definite long time programs,—on thoughtfully begun and industriously followed paths to preferment.

**T**HE CENTRAL LIFE is definitely and wholly committed in policy and in practice, to the individual financial development of its agency personnel. Satisfactory production volume is a natural sequence. Your investigation of the present opportunity will be cordially welcomed, and is solicited.

ADDRESS

**Central Life Assurance Society**

MUTUAL

OLIVER C. MILLER, President

Des Moines, Iowa



# The National Underwriter

## LIFE INSURANCE EDITION

Thirtieth Year, No. 50

CHICAGO, CINCINNATI, AND NEW YORK, FRIDAY, DECEMBER 10, 1926

\$3.00 Per Year, 15 Cents a Copy

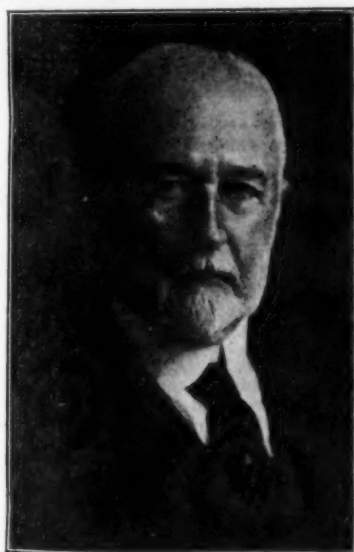
### HOLDING CONFERENCE OF LIFE PRESIDENTS

Annual Meeting of Organization  
of Executives on in New  
York

### ATTRACTS MANY VISITORS

Representatives of Numerous Other  
Bodies Present When Chairman  
Peabody Calls Session

NEW YORK, Dec. 9.—The Association of Life Insurance Presidents is meeting in New York this week and is attracting a large attendance. H. S. Nollen, president of the Equitable Life of Iowa, was the first man on the ground. The meeting of the Association of Life Insurance Counsel, starting Tuesday, drew a number of executives. Secretary Claris Adams of the Ameri-



**CHARLES A. PEABODY**  
Honorary Chairman, Association of  
Life Presidents

can Life Convention arrived early in the week. The executive committee of that body will hold a conference here this week.

#### Many Representatives Present

President H. M. Woollen of the American Life Convention came on to represent the organization officially. President Alder of the National Life Underwriters Association came from Salt Lake City to bring the greetings of his organization. He had a meeting of his trustees this week. Col. Joseph Button, insurance commissioner of Virginia, secretary of the National Convention of Insurance Commissioners, is representing that association, as is Commissioner Wesley Monk of Massachusetts, who read a paper before the Life

### MEETING OF TRUSTEES

#### G. A. ALDER IS IN NEW YORK

National Association of Life Underwriters Leaders Are Holding Important Conference This Week

NEW YORK, Dec. 9.—President George A. Alder of the National Association of Life Underwriters is in New York and called a meeting of the trustees to meet this week. Importance attaches to the meeting since some of the leading lights desire additional talent employed to forward the work of the organization. At the meeting of the trustees in Chicago it was decided to approach John H. Holcombe, manager of the Life Insurance Sales Research Bureau and offer him an executive position with the association. Mr. Holcombe, after considering the matter declined the offer. Since that time he has been made secretary of the Life Agency Officers Association and will handle its detail work along with that of the Research Bureau.

Presidents meeting. Insurance Superintendent Beha of New York is also present. Early comers were: President E. O. Burget, Peoples Life of Indiana; Vice-President Henry Abels, Franklin Life; Vice-President C. W. Gold, Jefferson Standard; President H. B. Arnold, Midland Mutual; Vice-President George L. Williams, Union Central.

#### Peabody Is Presiding

The program of the big meeting is being carried out according to schedule with President C. A. Peabody of the Mutual Life presiding. By Wednesday night the lobby of the Astor was the scene of a veritable insurance gathering. The eastern presidents answered to the roll call on Thursday morning.

General Manager George T. Wight, Assistant Manager C. G. Taylor, Attorney F. A. Dunham and Assistant Secretary Mott A. Brooks of the Presidents Association handled the details in a most effective way.

#### Represent American Life Convention

H. M. Woollen, president of the American Life Convention; O. J. Arnold, president of the Northwestern National Life of Minneapolis, a member of the executive committee, and Claris Adams, secretary and general counsel, represent the convention at the meeting. It has been the custom for several years for the president of the American Life Convention to extend greetings on behalf of the convention, at the meeting of the Presidents' Association. Mr. Woollen, however, delegated this pleasant duty to Mr. Adams, who appears for the first time at an annual meeting of the sister organization.

#### Tells History of Association

John D. Sage, president of the Union Central Life of Cincinnati and chairman of the convention, gave the opening address on "Making America Thrifty Through Cooperation." President Sage gave an interesting account of the development of the Association of Life Insurance Presidents from its inception in 1906 to the present, telling something of the distinguished men who have been connected with it. His address touched

### RETURN TO NEW YORK

#### COMMISSIONERS TAKE ACTION

December Meeting Next Year Will Mark Return to Practice Followed for Many Years

NEW YORK, Dec. 8.—Col. Joseph Button, Virginia insurance commissioner, who is here this week participating in some of the insurance activities, announces that the National Convention of Insurance Commissioners will return next December to the Hotel Astor for the midyear meeting, after two years departure from a custom that should have been continued. This will restore "Insurance Week" to its pristine glory and importance.

Col. Button, who is secretary of the commissioners' organization, says the executive committee has already voted favorably on this matter. The spring meeting will be held in Richmond and the annual meeting in all likelihood at Cleveland.

The decision to return to New York in December will strike a favorable response on all sides. It brings to this city in one week many insurance meetings. It is a custom that should be perpetuated. The commissioners deserve credit in their return to the former procedure.

upon the tremendous growth of the insurance business in recent years and stressed the important place life insurance holds in the economic life of the nation today. He discussed life insurance as a great factor in the promotion of thrift in America.

#### Speaks on Investments

Frederick H. Ecker, vice-president of the Metropolitan Life, gave a very instructive address on the economic importance of life insurance investments. He illustrated the tendency in the investment of life insurance funds showing how the companies serve an economic purpose in collecting the vast funds and investing the money where it is most needed. He also gave a brief account of the distribution of investments along the various types of securities most favored by life insurance companies.

#### Tells of Actuarial Progress

The actuarial progress of the past 20 years was reviewed by Edward E. Rhodes, president of the Actuarial Society of America and vice-president of the Mutual Benefit Life. Mr. Rhodes said that a new development in actuarial work was marked by the organization of the Actuarial Society of America which brought together independent actuarial activities into a community of interest. He said that in 1906 when the Association of Life Insurance Presidents was organized, a still further development of the actuarial side of the business was started, the recognition of the actuary as an executive officer dating from that time. Mr. Rhodes referred to a number of specific accomplishments of the actuaries and cited in particular the notable investigation of mortality, beginning in 1909 and terminating in the publication of the American Men Table which covered the experience of the past 20 years.

(CONTINUED ON PAGE 21)

### WORK OF ASSOCIATION RECITED BY CHAIRMAN

Tells of Purposes and Accomplishments in 20 Years' Existence

### IS COOPERATIVE EFFORT

Life Insurance Presidents' Organization Has Exerted Beneficial Influence on the Entire Business

#### By JOHN D. SAGE

President Union Central Life

[As chairman, Mr. Sage gave an opening address at the convention of the Association of Life Insurance Presidents in New York this week, from which the following quotations were taken.]

On this, the 20th anniversary of the association's founding, we refresh our memory of two commanding characters whose names ever will be linked with



**JOHN D. SAGE**  
President Union Central Life

the Association of Life Insurance Presidents. They are Grover Cleveland and Paul Morton. I shall speak of these gentlemen in the order of their first connection with the history of the association.

#### Relieved in Cooperation

Mr. Morton, who was president of the Equitable Life Assurance Society, came into the business during a period of great changes, after distinguished service in other fields. He saw its problems and its wide public relations in the light of his broad experience. It was his opinion that nation-wide cooperation among life insurance companies in matters of common interest was prerequisite to the best service to policyholders. He outlined

(CONTINUED ON PAGE 14)

**FLUCTUATION IS SLIGHT****LIFE INSURANCE STABILIZED**

**Jerome Clark of Union Central Life Addresses Cleveland Life Underwriters**

CLEVELAND, Dec. 9.—"Life insurance sales fluctuate less in volume than almost any other commodity," according to Jerome Clark, assistant superintendent of agencies of the Union Central, who addressed the December meeting of the Cleveland Life Underwriters Association.

"While it is quite common for the sales volume of many products to fluctuate as much or more than 50 percent in a single year, life insurance has rarely shown a fluctuation of more than 10 percent. Life insurance sales are neither affected so adversely by periods of de-



**JEROME CLARK**  
Assistant Superintendent of Agencies,  
Union Central Life

pression, nor so favorably by an era of national prosperity, as almost any product on the market today," said Mr. Clark, whose theme was "Building a Nation With Life Insurance Policies."

**Original Conception Changed**

"The original conception of life insurance was purely that of death insurance, projecting a man's earning power for a greater or lesser time into the future, so that the insured's dependents might suffer less. Today, life insurance has changed from a thing of individual interest solely, to a plan of decided community interest. Groups both large and small now have a common interest in a policy written on a single life, or policies written on a group of lives. Each new ramification of business, creating new needs, is soon followed by the purchase of life insurance to cover the need.

**Helps Solve National Problems**

"We are just entering an era when life insurance will be employed to solve our national problems. In one phase, this has already been accomplished to a considerable degree, through the investment of huge amounts of life insurance funds in a diversity of enterprises from coast to coast. Policyholders are becoming increasingly interested in the national welfare as it does and may affect the investment of life insurance funds.

"Business has turned to life insurance as an inseparable factor in its progress. It takes away most of the burden of worry, and enables executives to throw their energies without restraint into their businesses."

Speaking of thrift, Mr. Clark said: "Thrift in its commonly accepted mean-

**FRATERNALS EJECTED****BARRED FROM PENNSYLVANIA**

**Commissioner Einar Barfod Revokes Licenses of 13 Organizations Operating in the State**

Commissioner Einar Barfod of Pennsylvania has revoked the licenses of 13 fraternal organizations cited to appear before him in Harrisburg recently. The largest of the organizations affected by the order is the Modern Woodmen of America, of Rock Island, Ill., which has a total membership of 1,141,000. Commissioner Barfod said the license in Pennsylvania had been revoked because the fraternal showed only 55 percent solvency. Other licenses were revoked because of high expenditures for salaries, high percentage of lapses, excessive cost of management and failure to attend hearings on citations. The organizations are barred from writing new business in the state, but must carry out contracts now in force. In addition to the 13 fraternal bars from the state, one other, the Polish Alma Mater of the United States of America, of Chicago, was notified that unless valuation reports are filed at the end of the year showing 100 percent solvency the license will not be renewed for the following year. The licenses were revoked for the following organizations:

**Many Licenses Revoked**

Modern Woodmen of America, Rock Island, Ill.; Independent Western Star Order, Chicago; Holy Family Society of the U. S. A., Joliet, Ill.; Benevolent Order of Egyptians, Camden, N. J.; Daughters of Norway, Minneapolis; National Benevolent Society, Kansas City, Mo.; Supreme Encampment, Order of Knights Hospitalers, Philadelphia; Western Bohemian Fraternal Association, Cedar Rapids, Iowa; United States Grand Lodge of the Order of Brith Abraham, New York City; Grand United Order of Moses, Inc., Charlotte Court House, Va.; Improved Order of Shepherds and Daughters of Bethlehem, and the Supreme Lodge of the National Ideal Benefit Society, Richmond, Va.; Royal Order of Menlik and Princesses of Abyssinia of America, Newport News, Va.

ing is a poor motive with which to endeavor to sell life insurance, because persons usually associate the word 'thrift' with deprivations. But a reference to the dictionary will show one meaning of thrift, to which life insurance can very well be likened, and that is 'vigorous growth.' Once one has purchased life insurance, he can then devote his energies to vigorous growth."

Mr. Clark protested the statement that "everyone is a prospect for life insurance," as fallacious. He said that the underwriter and the life insurance company must analyze the markets for life insurance just as intensively as the manufacturer analyzes the market for his product, and cited as progress in this direction that most life insurance companies have established sales research departments, or departments for sales planning.

**Would Amplify Old Slogan**

"The old slogan, 'Know your business,' is good so far as it goes," said Mr. Clark, "but it is high time that it be amplified to read, 'Know your business, but also acquire a knowledge of the problems of those you serve.' It takes a business man to properly sell business insurance, and the underwriter's obligation does not end with the creation of the estate, but in carrying through to see that the life insurance is maintained and extended in such a way that it continues to serve the client's needs most effectively."

Mr. Clark urged that underwriters concentrate on certain definite types of insurance, and acquire a complete mastery of the details of those types.

**U. S. INQUIRY STARTS****PROBE ASSESSMENT CONCERNS**

**Federal Grand Jury Investigating Activities of Illinois Promoter—Repeal or Amendment of Law Sought**

A federal grand jury investigation into the operation of a certain class of organizations in Illinois writing life and accident and health insurance, which operate wholly outside the supervision of the Illinois insurance department and are required to make no reports of any sort, is expected to furnish some valuable ammunition in the fight that will be made before the next Illinois legislature for the repeal or material modification of the statute under which these concerns now operate.

**No Record of Operations**

Under the Illinois statute, these concerns can start business without any other formality than paying a charter fee to the secretary of state. They operate without reserve funds and depend for payment of losses wholly on assessments, the only fixed payment being \$1 a year for expenses. There is no way to enforce the payment of losses and no record of them need even be kept. Many of the members join under the impression that the state license gives the concern an official status. The secretary of state's office is flooded with inquiries in regard to them, but can give no further information than the mere fact that they are licensed.

**Promoter Bound Over**

The specific case now before the federal court is that of Warner F. Hamilton of East St. Louis, who was bound over to the grand jury there last week after a hearing before a United States commissioner on a charge of using the mails to defraud. Mr. Hamilton furnished bond for \$2,000 and was released.

The charge, in substance, is that Hamilton, who is endeavoring to merge 11 of these small assessment concerns, had assessed members of some of the companies for the losses of a company other than the one to which they belonged. The mails were used for making these assessments, it is alleged.

**Claims Full Authority**

Mr. Hamilton did not testify at the hearing. However, he has asserted that he had full authority through clauses in the policies to consolidate the companies and to assess the members of one for the losses of the others. He said that the companies would benefit through the consolidation, as they would not be able to continue separately, since some of them had not kept up their membership to correspond with the increased age and frequency of death among the members.

The companies which figured in the hearing before the commissioner were the Jefferson Mutual Union, which suffered a \$500 loss when one of the members lost an eye in an accident; the Atlantic-Pacific Protective League and the Central Mutual Union, members of which told of being assessed to help pay the Jefferson Mutual Union loss.

Mr. Hamilton is also vice-president of the Monarch Life of East St. Louis but that company is in no way connected with the transactions which form the basis for the charges against him.

**Hays With Pyramid Life**

Brooks Hays, assistant attorney general of Arkansas for the past two years, will become sales director and legal counselor of the Pyramid Life of Little Rock, effective Jan. 1. He has tendered his resignation to Attorney General Applegate, effective at that time. Mr. Hays has established an enviable record for his age. He is only 28 years old.

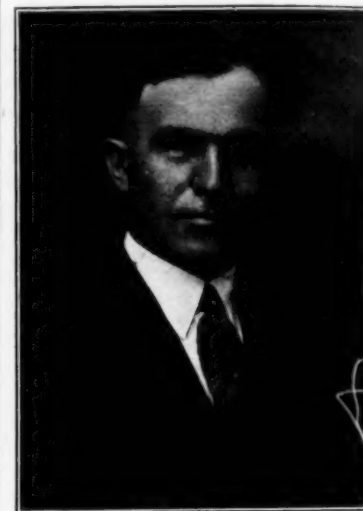
**SETS WORLD'S RECORD****GETS 159 "APPS" IN ONE DAY**

**Edward J. Kennedy, Travelers Agent in Chicago, Establishes New High Mark for Business Secured**

Edward J. ("Travelers") Kennedy of Chicago, a Travelers agent, wrote 159 applications for \$307,195 of business on Nov. 30. By this performance, Mr. Kennedy set a new world's record for the number of applications secured in a single day. Achilles N. Sakellarides of St. Louis, general agent of the International Life, was the former world's record holder, having written 150 applications in one day last April. Mr. Kennedy is 33 years old and has been in the life insurance business for the past three years.

**Started Work at Midnight**

The unique feature of his record is that he began his work at midnight



**EDWARD J. KENNEDY**  
Travelers Agent in Chicago Who Set  
World's Record

Nov. 30 and by 6 a. m. had secured 46 applications. He was continuously on the job until 10 o'clock that night, thus keeping at it for 22 hours straight. L. A. Franck, the assistant manager to whom Mr. Kennedy reports, acted as chauffeur and drove Mr. Kennedy from one prospect to another. During the 22 hour drive, 181 miles were covered in an automobile.

Mr. Kennedy, of course, had many of his prospects lined up in advance and had secured the data regarding them, but he actually secured all of the signatures to the applications within the 22 hours that he was working. Shortly after midnight he commenced rousing his friends out of bed and getting them to sign up, explaining briefly that he was out after the world's record. Naturally, the going was slow from 12 o'clock at night until 6 in the morning, but after that he began to roll in the applications much more quickly. Everyone that he talked to entered into the spirit of the thing and signed the application even though the hour at which he was approached was inconvenient.

**Has Been Consistent Producer**

Mr. Kennedy has been a consistent producer ever since entering the life insurance business. He was the first Chicago agent of the Travelers to qualify for the Quebec convention of the company in 1924. He qualified in three months. He has been a member of the company's \$100,000 life club and \$25,000 accident club each year, qualifying early and exceeding the amount necessary in order to qualify. Before entering life insurance work, Mr. Kennedy was for 14 years in the retail and wholesale tobacco business.



## LIFE INSURANCE TRUST DISCUSSED BY BANKERS

Given Elaborate Treatment at  
American Bankers Association  
Omaha Session

### COOPERATION IS STRESSED

Great Strides Made Thus Far Are  
Shown and Bright Future Is  
Pictured

OMAHA, NEB., Dec. 8.—Almost 200 delegates, from 20 states, attended the opening session of the annual Mid-Continent Fiduciary Conference of the American Bankers' Association here on Monday night. The meeting closed Tuesday.

Cooperation between trust companies and life underwriters was given a prominent place on the program. The Omaha trust companies had as their guest for the day the Omaha Life Underwriters Association and the subject of the relationship of life insurance and the trust company was thoroughly analyzed by the speakers on the program.

#### Told of Growth

C. J. Claasen, vice-president of the Peters Trust Company of Omaha, welcomed the life underwriters and cited the statistics of the business, showing the parallel growth of trust companies and insurance companies. In this connection he said, "Our country's 2,701 trust companies have a total of \$18,000,000,000 assets. Compared to this, our 250 odd legal reserve life insurance companies have a total of \$11,500,000,000 assets. All told, there are some 45,000,000 savings depositors in all the banks in the United States with \$25,000,000,000 deposits to their credit. Compared to this, there are 35,000,000 life insurance policy holders in the country, carrying \$72,000,000,000 of life insurance. The number of individual policies is much larger, being over 100,000,000. These figures emphasize forcefully the exceedingly important part life insurance plays in our economic structure today."

#### Estate Tax Discussed

R. H. Berry, assistant vice-president of the Detroit Trust Company, and a member of the special committee on taxation of the trust company division of the National Association, addressed the session on taxation.

As a member of the committee which appears before Congress on taxation, he said the two chief aims of the committee are to obtain the repeal of the federal estate tax and modify some of the drastic laws of several of the states relative to the inheritance tax.

"Levying the federal estate tax," he said, "is unwarranted dissipation of states rights. It is possible, under some of the present laws, to tax an inheritance out of existence."

#### Linton Was Speaker

A luncheon of the delegates with the life insurance underwriters was given at the hotel Monday noon. M. Albert Linton, vice-president of the Provident Mutual Life, delivered an address on "Life Insurance Trusts."

Mr. Linton said that the voluntary cooperation of the insurance writers and the trust companies of the last two years had put the administrative affairs of the public on a sounder basis than ever before. "The insurance companies," he said, "are creating estates while the trust companies are protecting them. The hearty cooperation of each serves to conserve the estates which the people have accumulated."

The business session Monday after-

## HAD OFFICIAL OPENING

### ANNOUNCED HUGE BUSINESS

Sentinel Life of Kansas City Wrote  
Over \$3,500,000 in First 30  
Days

KANSAS CITY, MO., Dec. 8.—The Sentinel Life of this city held its official opening in the new offices in the Insurance Building here last week. Officers and directors of the company received policyholders, competitors and business men of Kansas City in the newly appointed offices, which were filled with flowers sent in compliment to the new company. More than 3,000 invitations were sent out.

#### Write Big Business

The open house took on the nature of a celebration for the record amount of business done by the company during the first 30 days of its active operation, when \$3,512,108 of insurance was written. More than \$3,000,000 was written in Kansas City, only between \$300,000 and \$400,000 being written outside of the home office city of the new company.

The officers of the new company are: E. G. Trimble, chairman of the board; Arthur M. Hyde, president; Charles M. Howell, general counsel; F. L. Barnes, vice-president; S. W. Izard, secretary; E. E. Smith, treasurer, and F. L. Hildebrand, superintendent of agencies and assistant secretary.

noon centered about the relationship which should exist between trust companies and insurance writers.

#### Many Phases Covered

H. F. Pelham, Flint, Mich., spoke on "Cooperation Between Banks, Trust Companies and Insurance Writers for the Development of Business." "Examples of Living Trusts" was discussed by Joseph White of St. Louis, Mo. He pointed out the various types of agreements which could be made between the client and the trust company administering the estate.

J. A. C. Kennedy, corporate counsel of Omaha, spoke on "Corporate and Business Trusteeship," from the standpoint of the lawyer and client. He praised the work of the trust companies in their rapid development during the past generation.

#### Sees Prosperity Ahead

Francis H. Sisson, vice-president of the Guaranty Trust Company of New York, in an address on "Next Year's Business Outlook," said 1927 will be a prosperous year. He listed as assets: No inflation, abundant credit, low inventories, no over-production, long strides toward economic readjustment in Europe and throughout the world, ample gold reserve and high purchasing power.

"As 1926 draws to a close a moderately optimistic outlook for 1927 seems warranted, with reasonable assurance of well-sustained business activity," Mr. Sisson said. "Obviously, business statistics cannot go on indefinitely reaching new peak figures, but easy money, high purchasing power, improved conditions in Europe, all furnish strong reasons for expecting the maintenance of generally prosperous and sound conditions." "Prosperity," continued Mr. Sisson, "is a normal condition, not an economic offense. But prosperity is not fool-proof. It requires sound managing and financing."

#### New Company Opens Offices

Offices of the new American Thrift Assurance Association have been established on the seventh floor of the Peters Trust building, Omaha. James A. Rodman, formerly connected with the Northwestern Life, is secretary-treasurer of the company.

## HOLD ANNUAL MEETING

### FIRST AS OLD LINE COMPANY

Columbian Mutual Life of Memphis Has  
Convention for Its Agents at  
Home Office

MEMPHIS, Dec. 8.—The annual agents' convention of the Columbian Mutual Life of Memphis was held here last week. In addition to the officers of the company more than 50 agents were in attendance at this gathering. This is the first meeting of the company since it changed to the old line basis. The meeting was given over to addresses and discussions which were of most practical value. A program for the future of the company was outlined. The new policies which the company will issue were fully explained. The organization of an agents club to begin in 1927 was decided on.

#### Was Lively Meeting

Vice-president Thomas A. Thrash acted as chairman during the business sessions. He made a splendid presiding officer. There were no dull moments during the entire meeting. He kept things moving along at a rapid clip. President Lloyd T. Binford was the principal speaker. Others who appeared on the program were George W. Clayton, secretary, "Our Company—Its Past, Present and Future"; Thomas A. Thrash, vice-president, "What Our Company Has to Offer the Prospect"; "What Our Company Has to Offer an Agent," F. C. Aydelott, supervisor home office agency.

#### Interesting Addresses Given

Thursday afternoon L. E. Kerr, manager of the Memphis agency, spoke on "Life Underwriting as a Profession." Edwin Williams, tri-state manager Central Life of Des Moines, gave an interesting talk on "Prospecting." The medical side of field work was discussed by Dr. James L. Andrews, medical director. E. J. Austin, Arkansas state manager, was the first speaker Friday morning, the subject of his address being, "Writing an Application—From Prospect to Delivery." L. E. Kerr, who addressed the meeting Thursday, spoke to the agents again Friday on "Service to Policyholder and Its Value to the Agent." Thomas A. Thrash, vice-president, gave an analysis of policies. The last speaker on the program was President Binford, who discussed "Lapses—Causes and Prevention."

#### Prizes are Awarded

A gold watch was presented to E. J. Austin, Arkansas state manager. Mr. Austin was the leading personal producer for the company in November. A gold watch was also given to G. T. Holland, district manager, Union City, Tenn. Mr. Holland's district led in November in business written. All of the agents were taken on a tour of the home office and the beautiful home office building of the company in Memphis. This structure is commonly known in Memphis as the Columbian Mutual tower. Thursday evening there was a banquet followed by a theatre party.

#### Indianapolis Life's School Plan

Joe C. Caperton, agency manager of the Indianapolis Life, announces that the company will start a "Residence School in Life Insurance" and pupils are being signed up. The course is to be practical and will be conducted in the evening. Men between the ages of 25 and 40 are being enrolled whether they have had previous experience in life insurance or not. For the man who has not been in the insurance business and is ambitious to better himself by getting into life insurance selling, Mr. Caperton says this will be a real opportunity to discover whether he is qualified to make the change.

## ECONOMIC IMPORTANCE OF INVESTMENTS SHOWN

Life Companies Collect and Dis-  
tribute Funds According  
to Needs

### ANALYSIS OF TENDENCIES

Regulatory Laws Stabilized the Business  
and Inspired Confidence on  
Part of Public

BY FREDERICK H. ECKER  
Vice-President Metropolitan Life

[Extracts from an address given at the convention of the Association of Life Insurance Presidents in New York City.]

In so far as the growth in amount of life insurance assets may be out of proportion to the corresponding increase in the national wealth, and beyond the normal increase which is inherent in a business of this character, where the premiums paid in and their interest accretions are to be held for investment and reinvestment for long terms of years or for the lifetime of the premium-payers, one is prompted to inquire whether there are also reasons for such growth which are to be attributed to the development of the business itself.

#### Armstrong Laws Helped Business

The better understanding and higher appreciation of the benefits of the institution which exist today had its beginning, it seems to me, first, in the increased confidence which the American public came to feel in the life insurance business by virtue of the Armstrong laws adopted by New York in 1906, subsequently reflected in the laws and practices of the other states and, second, by virtue of the greatly increased variety and liberality of the life insurance service made available to the public during those 20 years. And so, before taking up the principal subject of investments, it may be well, in order to suggest the basis for the phenomenal growth of the companies which gives rise to their broader investment problems, to remember that the laws initiated in 1906 not only made greater provision for safety of the funds of policyholders, but also undertook to give a healthier tone to the business in general by controlling the amount of new business to be written in any one year, by providing for the limitation of expenses in securing new business, by segregating participating and non-participating insurance, by standardizing policy provisions, by changing standards of valuation and by the prohibition of tontine and deferred dividend insurance.

#### Outstripped Growth of Wealth

To these improvements in the law and to the liberality on the part of companies is attributable, I think, to a very great degree, the fact that the growth of life insurance has proportionately outstripped the material growth of the country at large. At the end of 1904, the national material wealth, according to the estimates of the U. S. Bureau of the Census, was \$107,104,000,000. At that time, the admitted assets of all United States legal reserve life insurance companies amounted to \$2,499,000,000, or 2.3 percent of the national wealth. It is estimated that, for 1926, the national material wealth is about \$360,000,000,000, while the admitted assets of life insurance companies will be \$12,850,000,000. The life insurance assets amounted to 2.3 percent of the national wealth in 1904 and now amount to 3.6 percent thereof.

It is interesting to investigate the differentiation in forms of investment and

to compare the development over the 20-year period under consideration. Fifty-two of the leading life insurance companies of the United States, including some companies which are not members of the Association of Life Insurance Presidents, have generously contributed to the association the figures which make it possible to form these comparisons. For the first time there becomes available such detail of classification over the 20-year period. (See Chart I and Table I.) For our consideration the assets are classified under three major headings, mortgage loans, bonds and stocks, and other admitted assets. The figures given may be taken as representative of the the business as a whole by reason of the fact that the companies which furnished them held, on the average, about 95 percent of the assets of all life insurance companies in the country, during the period under consideration.

#### Farm Loans Important Field

Taking first, then, the subject of mortgage loans, let us briefly review the situation relating to farm mortgages. From 1906 to 1920, agricultural production and agricultural wealth were on a generally increasing scale year after year, which was rapidly accelerated by the influences arising out of the world war. With the depression which began in 1920, there was a marked decline in

agricultural values. In 1921, the total farm indebtedness of the country was approximately \$13,000,000,000, and this had declined in 1926 to \$12,250,000,000. This figure relates to the farm indebtedness as a whole and not merely to the indebtedness represented by real estate mortgages on farms. Nevertheless, while the farm indebtedness was thus reduced \$750,000,000, farm mortgage loans from life insurance companies increased by \$638,000,000. For the 20-year period, the farm mortgages of the life insurance companies increased from \$268,000,000 to \$1,960,000,000. Thus the life insurance companies furnish nearly one-sixth of the sum necessary to carry the farm indebtedness of the United States. Of the entire admitted assets of the companies, 9.3 percent was devoted to farm mortgages in 1906 and 16.5 percent in 1926.

#### City Mortgages Increase

The other branch of the mortgage loan business of the companies, loans on city properties, furnishes a striking illustration of the way in which life insurance funds keep pace with the necessities of the investing public so as to respond, so far as possible, to the greatest need. In 1906, mortgage loans on city properties amounted to \$552,000,000 or 19.2 percent of the admitted assets, whereas in 1926 such loans amounted to

\$3,123,000,000 or 26.3 percent of the admitted assets. The tremendous increase in building from 1921 to 1926 is reflected in the increase in city loans from \$1,252,000,000 to \$3,123,000,000.

In the field of bond investments, one naturally thinks first of loans for governmental purposes. Prior to the issue of United States government securities in connection with the world war, the life insurance companies held bonds of the national government to the extent of less than 0.1 percent of their total assets. In 1919, the ratio was 11.5 percent. As new financing on the part of the government diminished, life insurance funds flowed into other channels and, in 1926, the companies held such securities to the extent of about 4 percent of their total assets.

#### Municipal Bonds Less Important

Investment in state, county and municipal bonds increased during the 20-year period from \$104,000,000 to \$344,000,000. This form of security, however, is more readily absorbed by other classes of the investing public, by reason of tax exemptions and so, as is to be expected, the portion of total admitted assets of life insurance companies, invested in such securities, has decreased from 3.6 percent to 2.9 percent.

With respect to investment in foreign government securities, it is significant

that, whereas the investments of the companies in securities of countries other than Canada increased from \$65,000,000, or 2.3 percent of the assets in 1906, to \$139,000,000 or 2.6 percent of the assets in 1916, they have, since the war, decreased to \$24,000,000, or to 0.2 percent of the assets. On the other hand, during the 20-year period, investments in Canadian government securities increased from \$22,000,000 or 0.8 percent of the assets, to \$261,000,000 or 2.2 percent of the assets.

#### Help Finance Railroads

Investments in railroad securities have increased, during the 20-year period, from \$1,002,000,000 to \$2,435,000,000. This increase of 143 percent represents, nevertheless, a decrease in ratio of railroad securities to total assets from 34.8 percent in 1906 to 20.5 percent. The total funded indebtedness of the railroads during the period increased 85 percent so that while the life insurance companies now hold a smaller proportion of railroad investments, as compared with total assets, than was the case 20 years ago, they have met the demand for funds on the part of the railroads to a greater proportional extent than at the beginning of such period.

#### Public Utilities Growing Rapidly

Investments in public utility securities have increased tremendously during the 20-year period. In 1906, the companies had so invested \$134,000,000 and they now have \$619,000,000, representing an increase from 4.7 percent to 6.9 percent of total admitted assets. In 1906, the major portion of public utility investment was in street railways, whereas today by far the larger portion is invested in connection with companies supplying light, power, heat, telephone and other similar service for home and business uses. As an illustration of how these investments tend to benefit individual citizens, it is reported that 17,000 new customers were added to rural electric lines in Pennsylvania in 1925 and that, throughout the United States, more than 1,000 farms per month are being added to the service lines of the different electric light and power companies.

#### Policy Loans Fluctuate

One form of investment perfectly secured but not to be encouraged in the interest of policyholders, is the policy loan. The amount of such loans which a company is obliged to make by reason of legal and contractual requirements, is not controllable under any form of investment policy on the part of company officials. Demands for policy loans are seen to follow closely the swing of business conditions. In times of general stress, policy loans increase, but the companies use every means to impress upon policyholders and beneficiaries the well known fact that policy loans really tend to defeat the object for which the life insurance was originally procured. It is doubtful whether much of the money loaned on life insurance policies really finds its way into productive channels. At the beginning of the 20-year period under consideration, the life insurance companies which have furnished data, had policy loans and premium notes to the amount of \$255,000,000 which was 8.9 percent of their assets. This ratio increased to 14 percent in 1916, but has now declined to 12.1 percent.

#### Special Real Estate Legislation

Real estate, as such, is not a proper subject for the investment of the funds of life insurance companies. Real estate holdings of such companies are practically confined to home office buildings. The amount of assets invested in real estate increased from \$156,000,000 in 1906 to \$214,000,000 in 1926. It is significant, however, that the ratio of real estate assets to total assets decreased during that period from 5.4 percent to 1.8 percent.

A novel bit of legislation may well be noted at this point. During the recent period, when there was such a scarcity of housing facilities, the legis-



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## What Users Say ABOUT TIME SAVER POLICY ANALYSIS

"I find use for it every day."  
—Robt. M. Parr, Manager, Ac-  
cident and Health Department,  
The Neckerman Agency, Con-  
tinental Casualty, Madison, Wis-  
consin.

"The use of the policy analy-  
sis is of great assistance in my  
work and a great help to our  
agents."—C. F. How, Dunning-  
How-Dunning Company, Aetna  
Life, Duluth, Minn.

"The best book of its kind on  
the market. It has paid for it-  
self already many times."—Fred  
O. Meeker, Travelers, Franklin,  
Ohio.

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and, honest, there's no more  
comparison between it and last  
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tween the 1925 Who's Who and  
Godey's Ladies' Book! It's a  
real 1926 edition of the World  
Almanac of Accident Insurance  
and the agent who doesn't avail  
himself of the opportunity to  
purchase a copy is simply 'dis-  
carding a pat hand' to draw for  
a chance at a better one."—Ac-  
cident Agency Journal of The  
Employers' Indemnity Corpora-  
tion.

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Cleveland (Ohio) Office of the  
United States Fidelity and Guar-  
anty.

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I know its importance shall in-  
crease with time."—R. A. Black,  
Mutual Life of Illinois, Greens-  
burg, Ind.

"Hardly a day passes that I  
do not have occasion to use the  
policy analysis manual several  
times."—W. H. Rackle, New  
York City.

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kind I ever saw which gives a  
full and comprehensive analy-  
sis."—Elmer J. Edwards, South-  
ern Surety Company, San An-  
tonio, Texas.

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date Accident and Health man  
can afford to be without it."—  
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alysis book for some time past  
and find it very helpful in our  
Accident and Health Insurance  
selling."—Arthur L. McKnight,  
General Agent, Aetna Life, St.  
Louis, Mo.

"I am certainly making good  
use of your policy analysis  
manual, which I use regularly to  
stop all argument and delays re-  
garding provisions of policies."  
—A. R. Moore, Special Agent,  
United States Fidelity and Guar-  
anty, Peoria, Ill.

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man, Continental Casualty, Cin-  
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[ SAMPLE  
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Renewable to Age 60  
Annual Premium for each \$1,000 of Sel. & Prof., \$2.00; Ex. Prof., \$3.50  
Death Indemnity Rates for each \$100 Monthly Indemnity

Age	Class Select and Preferred 2 Months Excepted	2 Months Excepted	1 Month Excepted	Class Extra Preferred 2 Months Excepted	2 Months Excepted	1 Month Excepted
20	\$24.40	\$28.20	\$38.20	\$30.40	\$35.40	\$48.30
21	24.90	28.80	39.10	31.00	36.00	49.40
22	25.40	29.30	40.00	31.60	36.50	50.60
23	25.90	30.00	40.90	32.20	37.00	51.80
24	26.40	30.60	41.80	32.80	37.50	53.00
25	26.90	31.20	42.70	33.40	38.00	54.20
26	27.40	31.90	43.60	34.00	38.50	55.40
27	27.90	32.60	44.50	34.60	39.00	56.60
28	28.40	33.30	45.40	35.20	39.50	57.80
29	28.90	34.00	46.30	35.80	40.00	59.00
30	29.40	34.70	47.20	36.40	40.50	60.20
31	30.10	35.60	48.10	37.00	41.00	61.40
32	30.80	36.50	49.00	37.60	41.50	62.60
33	31.50	37.40	50.10	38.20	42.00	63.80
34	32.20	38.30	51.00	38.80	42.50	65.00
35	32.90	39.20	52.00	39.40	43.00	66.20
36	33.60	40.10	53.00	40.00	43.50	67.40
37	34.30	41.00	54.00	40.60	44.00	68.60
38	35.00	41.90	55.00	41.20	44.50	69.80
39	35.70	42.80	56.00	41.80	45.00	71.00
40	36.40	43.70	57.00	42.40	45.50	72.20
41	37.10	44.60	58.00	43.00	46.00	73.40
42	37.80	45.50	59.00	43.60	46.50	74.60
43	38.50	46.40	60.00	44.20	47.00	75.80
44	39.20	47.30	61.00	44.80	47.50	77.00
45	39.90	48.20	62.00	45.40	48.00	78.20
46	40.60	49.10	63.00	46.00	48.50	79.40
47	41.30	50.00	64.00	46.60	49.00	80.60
48	42.00	50.90	65.00	47.20	49.50	81.80
49	42.70	51.80	66.00	47.80	50.00	83.00
50	43.40	52.70	67.00	48.40	50.50	84.20
51	44.10	53.60	68.00	49.00	51.00	85.40
52	44.80	54.50	69.00	49.60	51.50	86.60
53	45.50	55.40	70.00	50.20	52.00	87.80
54	46.20	56.30	71.00	50.80	52.50	89.00
55	46.90	57.20	72.00	51.40	53.00	90.20

\*In this classification are included chiropodists, chiropodists, dentists,  
embalmers, oculists, osteopaths, physicians, surgeons and undertakers.

## Description of Book

The Time Saver is published in pocket size,  
6x6 inches, printed on thin "bible" paper,  
and is bound in a handsome flexible red  
cover. The paper in each book this year will  
cost twice as much as the paper in each book  
last year. This is being done so that while  
buyers will get a book with 160 more pages,  
its actual size will be less than last year's  
edition.

United Commercial Travelers, Columbus, O.—Continued

**CHANGE OF OCCUPATION**—Provision for reducing payments if risk is in more  
hazardous occupation at time of injury than when accepted according to fol-  
lowing rating: Medium, 75 per cent of maximum benefit; Special, 50 per  
cent of maximum benefit; Hazardous, 25 per cent of maximum benefit.

**EXAMINATIONS, AUTOPSIES AND CREMATIONS**—Examination of claimant  
may be requested as often as desired; refusal to permit such examinations  
shall be a forfeiture of all rights of action or claims for injuries. Autopsy,  
removal of specimen or specimens from body, disinterment of body may be  
requested and failure to grant request shall be deemed a forfeiture of all  
benefits and any and all rights of action or claims for injury or death.  
Autopsy or cremation unauthorized by Order shall forfeit any claim for death  
Indemnities.

**LIMITATIONS**—Does not cover loss resulting from accident which happens  
while member is playing professional football or professional baseball, or while  
in any submarine vessel, or while engaged in any work in or about mines  
or in the moving or transportation or use of dynamite or other explosive sub-  
stances; or death, disability or loss of time resulting from riot, riding or  
driving a motor vehicle in a race, assault or fighting, violation of any law,  
immoral conduct, intentionally self-inflicted injuries (fatal or otherwise),  
inhalation of gas or asphyxiation (voluntary or involuntary, conscious or un-  
conscious), Murder or disappearance, injuries (fatal or otherwise), or un-  
der the influence of alcohol or narcotics, or from voluntary exposure to un-  
necessary danger or to over-exertion (unless in an effort to save human life),  
or burglary or robbery or by an insane person, the intent to commit burglary  
or medical, mechanical or surgical treatment (except where the surgical  
treatment is made necessary by the accident); the intentional taking of  
medicine or drugs; nor for any death, disability or loss of time resulting  
from an accident to a member who is in any degree under the influence of  
alcohol or narcotics.

Nor shall benefits cover or extend to any of the following conditions,  
whether caused by accidental means or not, to-wit: Appendicitis, fits, epilepsy,  
mental infirmity, try poisoning, ptomaine poisoning or other poisoning, bile  
or sting of an insect or any infection (unless the infection is introduced  
into, by or through an open wound, which wound must be caused by  
external, violent and accidental means and be visible to the unaided eye),  
arthritis, inguinal adenitis, venereal disease, hemorrhage, spinal hemorrhage,  
hemorrhage, heat prostration, sunstroke, or sunburn.

Nor shall benefits under this Article be payable for any death, disability  
or loss of time from accidental injury causing hernia to an amount greater than  
fifty dollars (\$50.00).

Nor shall benefits under this Article be payable unless there is some ex-  
ternal, visible mark of the accident upon the body (the dead body not being  
such a mark except in case of drowning). Nor shall benefits under this  
Article be payable if the injury, death, disability or loss of time was caused  
by taking internally any substance, whether accidental or not, which produced  
such injury, death, disability or loss. Nor shall benefits under this Article be  
payable unless external, violent and accidental means, producing bodily injury,  
be the proximate, sole and only cause of death, disability or loss.

Nor shall benefits under this Article be payable nor extend to any cause  
of death or loss of time, where the death or loss of time was contributed to  
by disease in any degree.

Nor shall benefits under this Article be payable nor extend to any case of  
death or loss of time unless the claimant under the certificate establishes, by  
direct and positive proof, that said death or loss of time was caused by  
external violence and accidental means.

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1927

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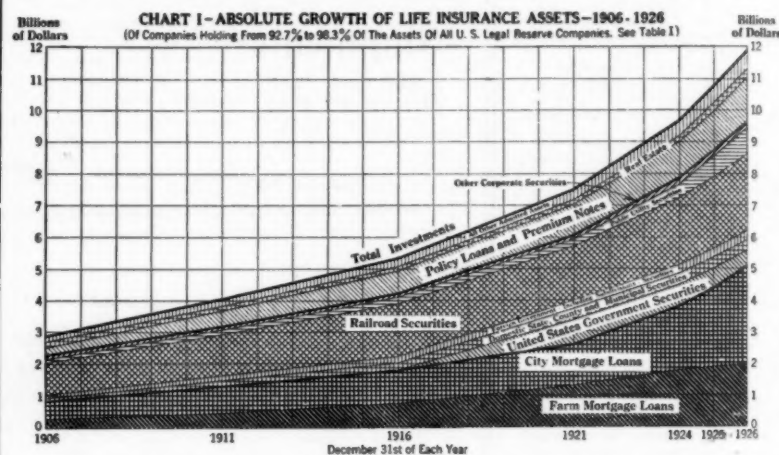
CRAWFORD E. ELLIS  
 President

lature of New York authorized life insurance companies, under certain limitations, to invest funds in housing projects. One company responded to the demand in this direction by the investment of some \$7,000,000 in a housing project within the corporate limits of the city of New York. This investment served not only to relieve the existing shortage in shelter accommodations for those moderately circumstanced, but also as a demonstration that buildings for such purposes could actually be constructed of attractive design and under healthful conditions, with all outside rooms, steam heat and modern improvements, to rent for not more than \$9 per month per room. This demonstration, it may be said in passing, was in every way successful and from a financial standpoint, yields a net return of 8.8 percent, under which the company credits 6 percent to interest income and 2.8 percent to amortization of the cost of the improvements.

Having pictured the flow of life insurance investments to meet the varying needs of farm, city, government, rail-

Bureau of the Census as follows: New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut; middle Atlantic: New York, New Jersey, Pennsylvania; east north central: Ohio, Indiana, Illinois, Michigan, Wisconsin; west north central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas; south Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida; east south central: Kentucky, Tennessee, Alabama, Mississippi; west south central: Arkansas, Louisiana, Oklahoma, Texas; mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada; Pacific: Washington, Oregon, California.]

Here, again, we see the play of economic forces as they influence the investment policy of life insurance companies. The middle Atlantic and New England states represent the older and more thoroughly developed sections of the United States. Through many years they have been accumulating capital until they have become the great investing centers of the country. Their capital demands are less than their supply of



roads and other industries, it is interesting to note briefly the distribution of these investments throughout the geographic divisions of the United States, to Canada and to other foreign countries. The way in which life insurance companies have distributed their investments throughout the United States, in relation to the origin of the money, can be seen by contrasting the amount of the reserves and the amount of investment by geographic divisions. At the close of 1925, the proportion of reserves invested were, by divisions, according to rank, west north central 244 percent, west south central 205 percent, mountain 199 percent, east south central 162 percent, south Atlantic 131 percent, Pacific 118 percent, east north central 102 percent. Each of these divisions had attracted more invested life insurance funds than they had contributed through reserve. The only sections showing less invested than the amount of their reserve were the middle Atlantic with 80 percent and the New England states with 46 percent.

[The geographic divisions used correspond with those used by the U. S.

capital for investment. The people and institutions of these sections go beyond their own confines to find adequate and profitable investment for their capital. Their demands upon life insurance companies are not nearly so great as those of the other sections of the country which, economically speaking, are younger and are now in the period of rapid development. The capital accumulations of the latter are not sufficient to permit immediately adequate development of their resources. They must go beyond their own bounds for funds. This is an advantage to the policyholders of the middle Atlantic and New England states in that there is furnished a more fruitful field for the investment of their contributions to the great asset fund of the life insurance companies. Advantage likewise accrues to the other divisions of the country in that the aid furnished by these funds permits the more rapid development of their communities.

#### Opportunities for Investment

Turning now to another phase of the general subject of investments, a problem concerning which there is always more or less apprehension, let

**TABLE I—RATIOS OF INVESTMENTS TO TOTAL ASSETS**

(Of 52 Companies Holding from 92.4 Percent to 93.8 Percent of the Admitted Assets of all United States Legal Reserve Companies)

	Dec. 31 1906	Dec. 31 1911	Dec. 31 1916	Dec. 31 1921	Dec. 31 1924	Dec. 31 1925	Sept. 30 1926	Dec. 31 1926*
Farm Mortgages .....	9.3	12.0	14.8	17.7	18.7	17.6	16.8	16.5
Other Mortgages .....	19.2	20.3	18.6	16.7	20.9	23.4	25.6	26.3
Total Mortgages .....	28.5	32.3	33.4	34.4	39.6	41.0	42.4	42.8
U. S. Government Bonds .....	1.1	.0	.0	10.7	7.1	5.9	4.6	4.1
State, Municipal Bonds .....	3.6	4.2	4.5	4.6	3.6	3.3	3.0	2.9
†Canadian Govt. Bonds .....	.8	.6	1.3	2.1	2.3	2.3	2.2	2.2
†Other Foreign Government Bonds .....	2.3	2.0	2.6	1.5	.5	.4	.2	.2
Total Govt. Bonds .....	6.8	6.8	8.4	18.9	13.5	11.9	10.0	9.4
Railroad Bonds and Stocks .....	34.8	33.4	31.3	23.0	21.8	21.0	20.6	20.5
Public Utilities .....	4.7	4.1	4.1	3.0	4.6	5.8	6.6	6.9
Other Bonds and Stocks .....	3.7	2.0	1.5	1.4	1.5	1.5	1.4	1.4
Total Bonds and Stocks .....	50.0	46.3	45.3	46.3	41.4	40.2	38.6	38.2
Policy Loans and Premium Notes .....	8.9	12.9	14.0	13.0	12.3	12.1	12.1	12.1
Real Estate .....	5.4	3.9	2.7	2.0	1.8	1.8	1.8	1.8
Collateral Loans .....	1.8	.4	.3	.3	.1	.1	.1	.1
Cash .....	2.3	1.6	1.8	1.2	1.0	.9	.9	.9
Other Admitted Assets .....	3.1	2.6	2.5	2.8	3.8	3.9	4.1	4.1

\*Estimated.

†Including securities of all political subdivisions.



us consider the availability of sound investments as life insurance company investable assets shall increase. Personally, I do not share this apprehension. Funds to be invested do increase, but sound investment securities seem always to be available, and this is to be expected so long as the prosperity of the country and its national wealth is increasing. With decreased prosperity or decreased national wealth, it is more than likely that there would be a decrease in the amount of funds currently necessary to be invested by, and it is certain that there would be a decrease in the volume of other investment funds competing with those of, life insurance companies.

#### Uniform Laws Desirable

There has at no time been any serious embarrassment to the companies in finding ready outlet for their funds in investments of a character to comply strictly with the laws of the state in which the corporation is domiciled. Since, however, the companies, generally speaking, operate in many, if not all, of the states, an approximate uniformity of investment laws would be desirable. A general survey of state legislation on this subject will disclose the philosophy of its growth. Like other statutory regulations, investment laws have usually been drawn to meet current conditions, and it is not to be expected that they should in all ways anticipate and provide for future developments.

#### Advertises Life Insurance Service

Recognizing life insurance as a method of creating an estate, the First Wisconsin Trust Company of Milwaukee has started a series of advertisements in the local newspapers pointing out the necessity of investing the proceeds from life policies in sound securities, and showing why a trust company should be the agent in such investment.

## LIFE COUNSEL MEET

### HOLD ANNUAL CONVENTION

Consider Resolution Seeking to Develop Greater Harmony in Members' Activities

#### NEW OFFICERS ELECTED

President—J. C. Jones, American National Life of St. Louis (reelected).  
Vice-President—W. J. Tully, Metropolitan Life.  
Secretary—H. C. Bates, Metropolitan Life.

NEW YORK, Dec. 7.—President James C. Jones of the American National Life of St. Louis opened the annual meeting of the Association of Life Insurance Counsel here yesterday afternoon. More than 125 members were present at the meeting at which the first business to come up was the appointment of a committee to report on the resolution presented at the last meeting. This is to the effect that members having controversies with one another will make every effort to reach an understanding before the dispute is carried into the courts. George B. Young of the National Life of Vermont was named chairman of this committee, which includes F. V. Keesling, West Coast Life, Lewis A. Stebbins, Old Colony Life, William Bromsmith of the Travelers, and Judge A. L. Brooks, Jefferson Standard.

#### Many Subjects Discussed

The first paper read was that by Albert H. Yost, Phoenix Mutual, on "The Effect of Failure to Furnish Proof of Permanent and Total Disability Before Default in Premium Cases." The discussion that followed was led by R. B. Alberson of the Bankers Life of Iowa and Guilford A. Deitch of the Reserve Loan Life of Indianapolis, at the invitation of the association, Frank Sullivan of the St. Louis bar, an associate of President Jones, spoke on the subject of life insurance as collateral security, which aroused considerable comment on the part of Edward J. Boughton of the Philadelphia Life and others. The final paper of the afternoon was on "The Judge, the Lawyer and the Insurance

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J. C. JONES  
President, Life Counsel

Case," by Charles E. Cox of the American Central.

At this morning's session the papers read were "Insurable Interest," by R. R. Baird of the Lincoln National; "The Federal Interpleader Act Down to Date," by Joseph F. Conwell, Penn Mutual; and "Texas Laws Affecting the Investments of Life Insurance Companies," by Frank W. Wozencraft, American Life Reinsurance of Dallas. Before adjourning for luncheon at the

Hotel Astor, the association passed a resolution expressing its sympathy and best wishes for the health of John Izard of the Connecticut General, who at the present time is quite ill at Asheville, N. C.

#### Study of Unexpected Claims

Albert H. Yost, assistant secretary and counsel of the Phoenix Mutual, read a paper on "The Effect of Failure to Furnish Proof of Permanent and Total Disability Before Default in Premium Payment." Mr. Yost showed how under the present conditions the company may incur liability for which it has no reserves, in that claims may be awarded for total and permanent disability even after the extended term insurance has run out. In other words, several years after premium payments have ceased and the extended term insurance has automatically been put in force, a claim may be presented for disability benefits on the ground of total and permanent disability. In the meantime the entire reserves under the policy may have been used up in the extended insurance. Thus the company may become liable for disability payments although it has no corresponding reserves under the policy. Mr. Yost presented an interesting survey of court decisions relating to this subject.

#### Discusses Insurable Interest

R. R. Baird, counsel of the Lincoln National Life, gave a comprehensive study of the insurable interest law, especially as it exists in Indiana. He demonstrated that there was a very definite need for this law when it was first put on the books because of the strong tendency towards gambling in life insurance, but then went on to show that the need for the statute has now passed and that it is merely a nuisance standing in the way of legitimate insurance and cluttering up the statute books without reason.

Charles E. Cox of the general counsel firm of the American Central Life (CONTINUED ON NEXT PAGE)

# Don't kill the hen.



GOLD

**OUR agents bank premiums locally—We make our investments in the territory we serve—The money builds up your community which returns the golden egg to you.**

**Write for our cooperative plan.**

## The Farmers & Bankers Life Insurance Company

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**WICHITA, KANSAS**

# Indiana Minnesota

The Springfield Life Insurance Company has recently opened Branch Offices in Indiana and Minnesota. For the Live, Wide-Awake Producer there is an opportunity to get in on the GROUND FLOOR and secure a REAL GENERAL AGENCY contract in these states.

Already a portion of the desirable territory has been assigned. Other assignments are pending. Prompt action will secure a LIFE LONG CONTRACT with Liberal First Year Commissions and NON-FORFEITABLE RENEWALS.

Our PROSPECT BUREAU is placing in the hands of our Agents BONA-FIDE INTERESTED PROSPECTS. We are taking our FIELD MEN out of the class of "Sidewalk Merchants," "Peddlers," "Solicitors" and "Canvassers."

Our "PREFERRED ORDINARY LIFE" Policy meets all competition. The Net Cost is Exceedingly Low.

Our New "OPTIONAL LIFE INCOME AND ENDOWMENT" Policy has met with instant approval. The Large Annual Dividends paid by the Company makes the net cost on all plans competitive.

*If interested write either of the following  
or the Company:*

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State Manager for Minnesota  
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*Serve and Succeed With  
the Springfield*

## SPRINGFIELD LIFE INSURANCE COMPANY

A. L. HEREFORD, President

SPRINGFIELD, ILLINOIS

C. HUBERT ANDERSON  
Superintendent of Agencies

### NEW TIME SAVER OUT

#### LARGE EDITION IS PRINTED

Valuable Compendium of Accident and Health Insurance Information Is Enlarged and Improved

The fifth annual edition of the Time Saver for accident and health insurance men is now being delivered by The National Underwriter Company, Cincinnati office. The new edition is much more complete than that of last year. Twelve more companies and many more policies are represented in its pages. Special space is devoted to elimination period riders and rates. A new addition to the book this year is three pages of statistics on accident and sickness suitable for use in canvassing. The book also contains information on the special automobile supplements which have been issued by a number of companies and the terms of standard provision 10 are given, also.

#### Is Conveniently Arranged

The Time Saver is arranged in such a way that the user may quickly turn to any policy issued by any one of the 87 companies represented in the book and the side headings enable the user to find the coverage of any particular clause quickly. The side headings in the analysis of a typical accident policy include the following: Insuring clause, principal sum, time limit, additional benefits, option, installment option, accumulations, total disability, partial disability, double benefits, elective indemnities, surgical operations, surgeon's fees, hospital indemnity, nurse's fees, identification, standard provision 10, optional clause 17, limitations. For the sickness and disability forms the analysis shows when policy is in force after date of issue, whether house confinement is required, indemnity for total disability, confining, and total disability, non-confining; information on the permanent disability clause and the terms of surgical operations, hospital indemnity, nurse's fees and identification provisions where these are inserted.

#### Indicates Exact Coverage

For each separate clause in the contract, the Time Saver indicates clearly what the policy offers, even to shades of meaning reflected by different words. In all cases, the side headings are placed in the same relative order regardless of where the various provisions may occur in the contract itself. This enables the user, once he is familiar with the arrangement of the book, to turn quickly to the coverage under any particular clause.

The Time Saver is by far the most complete compendium on accident and health policies ever issued and has won the approval of the accident and health business. Last year it was necessary after the first edition came from the press to reprint twice. This year The National Underwriter Company has printed a larger edition and is now able to fill all orders promptly. Present indications are, however, that the larger edition will be sold out long before the next edition comes from the press in November, 1927. No extra editions will be printed of the new book.

#### More Information but Smaller

Although the new edition of the Time Saver contains 138 more pages than that published last year, the new edition is printed on the finest kind of bible paper, making a smaller and lighter book than that of last year. The paper is of better quality, making the pages easier to read.

The Time Saver enables the office executive and the accident and health field man to have complete and exact information on accident and health contracts. It stimulates the confidence of the field man, enabling him to develop as an accident and health specialist familiar with all policy problems.

The book is called the "Time Saver"

### OFFICERS ARE NAMED

#### B. H. WALKER IS PRESIDENT

J. G. Walker Becomes Chairman of the Board of Life Insurance Company of Virginia

RICHMOND, VA., Dec. 7.—John G. Walker, who resigned recently as president of the Life Insurance Company of Virginia, was today elected chairman of the board. Bradford H. Walker, first vice-president, was elected president and W. L. T. Rogerson, vice-president in charge of industrial field work, succeeds him as first vice-president. Mr. Rogerson was formerly superintendent of the company's district office in New Orleans.

because it does save the time of both the home office man and the man in the field. It is not primarily a book for competitive selling. In fact, those who make the best use of the Time Saver find that merely having the book in the presence of the prospect often completely eliminates the competitive factor since the prospect sees that the agent is fully equipped on that point and knows that he is no match for the agent with such equipment. The excuse that the prospect is considering another policy is usually a subterfuge and the Time Saver enables the agent to eliminate this subterfuge and proceed to close many cases which otherwise would be entirely lost.

#### LIFE COUNSEL HOLDING THEIR ANNUAL MEETING

(CONTD FROM PRECEDING PAGE)

of Indianapolis, discussing "The Judge, the Lawyer and Insurance Cases," emphasized the fact that judges, as lawyers, are only human and the human element must be considered in relation to insurance cases as in all other methods. He said that while there is much criticism of the findings of courts in many cases, there are many cases where the judge in deciding a point of law with conflicting interests involved is faced entirely with the human element. Where conflicting precedent is cited to show definite contradictions in previous cases, the court must determine the point of law as he sees it. Mr. Cox pointed out, however, that he believed there was a danger in the present day trend of checking criticism of courts. He said that lately there has been a tendency to create a sanctified respect for courts and to condemn criticism of them. He said, however, that this might lead to a dangerous situation, for this very human element, if made immune from criticism, might lead courts into hostile avenues.

A. J. Davis, Provident Mutual, and Charles E. Cox, American Central, discussed Mr. Baird's paper. Joseph S. Conwell, Penn Mutual, read a paper giving a review of the latest federal act authorizing companies to file bills of interpleader where there is a dispute between claimants located in different states. It was discussed by George Lines, Northwestern Mutual; John Barker, Berkshire Life; F. H. Sullivan of St. Louis and W. C. Wells, Lamar Life. F. W. Wozencraft, American Life Reinsurance, presented a paper giving some observations on the Robertson law in Texas.

#### Urges Life Insurance

A life insurance appeal has been extended to musicians in the editorial column of "Leedy Drum Topics," the house organ of the Leedy Manufacturing Company of Indianapolis. This editorial told of the necessity for musicians to develop some definite savings program and suggested the 15 or 20-year endowment policies as the ideal means of guaranteeing this savings account. The appeal carried in this attractive house organ of this company goes to a large list of musicians and drum manufacturing companies.



**FINE RENEWAL RECORD****HIGH PRESSURE SALES GOOD**

Business Written by Guy W. Peabody  
in One Day Drive Shows Surprising Permanence

There has been much speculation as to the persistency of life insurance put on the books under pressure in the drive for the greatest number of applications in one day or in one month. The Royal Union Life has just completed an audit of the business established in the record drive made by Guy W. Peabody, agent of the company at Sedalia, Mo., Sept. 29, 1925. Mr. Peabody on that day established the one day record for that time, with 115 applications. Of this



GUY W. PEABODY

number of applications seven were rejected, giving him a total of written business of 108 policies, totaling \$139,000.

**High Renewal Record**

The audit of the Royal Union Life shows that of these 108 policies accepted, 76 have renewed for the second year and 32 have lapsed. Of these 32, eight have moved to other communities, thus getting away from the influence and personal contact of the salesman. It is confidently expected that at least 10 others will renew. The actual percentage of renewal is 70.37 for an aggregate amount of \$103,000. The renewal of the business by volume was 74 percent. Thus it will be seen that in this case at least the "high pressure business" has been satisfactory.

**Big Policyholder Dies**

PHILADELPHIA, Dec. 7.—Jules Mastbaum, millionaire real estate man and philanthropist, died today of a complication of diseases following an operation for appendicitis. Mr. Mastbaum was insured two years ago by I. J. Becker, special agent for the Fidelity Mutual Life for a total of \$2,000,000. The issue was at age 52, and was shared in by the Aetna Life, Connecticut General, Bankers Life of Iowa, Guardian Life, Travelers, Missouri State Life, John Hancock Mutual and Girard Life of Philadelphia. It is said that the Metropolitan had some of this business as reinsurance.

**To Write Half Billion**

The Mutual Life of New York expects to write \$500,000,000 in new business this year. The agents are going strong and the company will show a fine increase in its writings. Last year its business was about \$460,000,000.

**TO REINSURE COMPANY****WILL ABSORB ROOSEVELT LIFE**

Northern States of Indiana Will Acquire St. Paul Company If Stockholders Approve Dec. 27

ST. PAUL, MINN., Dec. 8.—The stockholders of the Roosevelt Life of St. Paul will meet Dec. 27 to decide whether the company shall be merged with the Northern States Life of Hammond, Ind. Last week officials of the Northern States were in St. Paul and arranged with the Roosevelt Life's board of directors for the reinsurance of the company's \$5,000,000 of outstanding business, and if the stockholders approve the action, the deal will be consummated as soon as the approval of the Minnesota insurance superintendent is secured. Dr. H. E. Sharrer, president of the Northern States Life, conducted the negotiations for his company.

**History of Company**

The Roosevelt Life was organized in 1925, and now has slightly more than \$5,000,000 in force. It has operated only in Minnesota: Leonard J. Dobner is president; George W. Guth, vice-president and agency manager; Fred H. Murray, secretary and treasurer. The company was organized by Lewis Hart, who was for nine years general agent in North Dakota and Minnesota for the Pioneer Life and eight years for the Lincoln National Life.

**Previous Reinsurance**

In 1925 the Northern States Life of Indiana reinsured the business of the Northern States Life of Minneapolis. In this way, the company acquired a substantial business in Minnesota and the Dakotas, and since the reinsurance its business from these three states has been substantial. The company now has approximately \$35,000,000 of business in force, of which \$10,000,000 is in Minnesota and the Dakotas. It will thus be able to absorb the Roosevelt Life business very easily and handle it through its well established agency plant in the northwest.

Commissioner Wells of Minnesota has set Dec. 28 as the date for a hearing on the approval of the reinsurance contract.

**Shift Ballard Case Hearing**

The taking of testimony in the R. B. Ballard insurance case at Minneapolis has temporarily shifted to New York, where bank accounts of Mr. Ballard will be examined. A group of companies are protesting payment of \$580,000 life insurance carried by Mr. Ballard, who was found dead in his garage. The companies claim that Ballard killed himself and that he had obtained much of his \$2,000,000 life insurance through conspiracy. The hearing is expected to be resumed in Minneapolis about Jan. 1.

The purpose of examining the bank accounts is in an effort to prove that Mr. Ballard was in financial trouble just before his death. One banker testified that there was evidence of check "kiting" going on in the Ballard companies and that Ballard's credit, once good, had depreciated considerably before his death.

**General Agencies Had Meeting**

NEW YORK, Dec. 8.—The annual combined meeting of the three greater New York general agencies of the Berkshire Life was held here today in the offices of William C. Carroll, Jr., general agent of the company in Manhattan. Representatives were present from the R. A. Van Alst general agency of Manhattan and the F. A. Morison agency of Brooklyn. Among the speakers on the program were President F. H. Rhodes of the Berkshire Life, Hugh D. Hart of the Hart & Eubank agency, C. S. Selling, local supervisor for the Sun Indemnity, J. B. O'Brien, E. H.

# JUSTICE

Justice has been defined as "the rendering to everyone his due." To him who has erred, the blind goddess assumes portentous shape—while to him who has been injured, she holds forth the comforting assurance of fair-play. Fear, therefore, strikes only into the heart of him who realizes that he deserves censure or punishment by reason of misconduct.

But there is justice of yet another kind than that described. There remains the justice that spells integrity, rectitude, fairness, just dealing, uprightness. It is the fruit of attributes buried deep in the invisible recesses of the heart and mind.

Even as justice in the individual engenders respect, loyalty, and love in those who know him—so also does it kindle the fires of confidence and devotion among the members of an institution founded upon a firm belief in its perpetuity and strength. The law of compensation is but the working of justice; the reward which inevitably flows to him who has done his work well is a simple proof of the wisdom of right conduct. And right conduct in an institution means infallibly that its guiding principle is justice toward those who come within its sphere of activity.

# AMERICAN CENTRAL LIFE

INSURANCE COMPANY

INDIANAPOLIS

Old Line Legal Reserve  
Established 1899

HERBERT M. WOOLLEN, President

### Celebrate With Us

Next June this Company will celebrate its Eightieth Anniversary with a great Convention in Philadelphia, to be attended by Field representatives from all parts of the country.

The PENN MUTUAL has places for capable, hard-working men and women who are devoted to the highest ideals of life insurance. Contracts are satisfactory, and the conditions and atmosphere of a Penn Mutual agency relationship are of the kind that creates enthusiasm and assures permanency.

**The Penn Mutual Life Insurance Company**  
Philadelphia, Pa.

*Organized 1847*

Do your fellow agent a good turn—get him acquainted with  
The National Underwriter, the real insurance newspaper.

Plummer and Milton Loeb, general agents of the Berkshire at Albany, Philadelphia and Bridgeport, Conn., respectively. A banquet at the New York Athletic Club was held after the adjournment of the meeting.

#### Recommends Plan For Postal Employees

The annual report of the postmaster general, just made public, recommends legislation authorizing the postoffice department to contract for group insurance covering postal employees. It would be necessary for Congress to enact legislation authorizing the postmaster general to contract for the insurance, the entire cost of which would be carried by the employees insured, premiums being deducted from their pay. It is not proposed that the government should furnish the insurance, but that contracts should be made with commercial companies.

#### Aetna Life Stock Payments

The payments on the new Aetna Life stock due Dec. 1, amounted to \$1,118,000, bringing the total payments to date up to about \$9,000,000. The payment just made was the third instalment of a \$10,000,000 total. Many of the stockholders paid in full for the stock when the first payment became due.

## STUDY OF DECISIONS ON DISABILITY GIVEN

Effect of Failure to Give Notice  
Before Default in  
Premium

### DECISIONS NOT UNIFORM

Companies May Incur Liabilities Without Corresponding Reserves Under Existing Provisions of Policies

BY A. H. YOST

Assistant Secretary and Counsel Phoenix Mutual

[The following extracts were taken from a paper read before the Association of Life Insurance Counsel in New York this week. Because of the limitations of space, only the decisions unfavorable to the companies are here given.]

There is a question which presents interesting problems for the companies and concerning which a considerable number of cases have been decided within the last few years. The writer's attention was directed to this problem by reason of a claim for disability and death benefits which arose recently. The policy had lapsed for the nonpayment of a premium due April 6, 1923, and under its terms was carried as extended insurance which expired May 22, 1925. In June, 1926, three years after the policy had lapsed and a year after the extended insurance had expired, notice was received that the insured had died in May, 1926, and that the insured had been totally and permanently disabled, within the meaning of the permanent and total disability benefits of the contract, since October, 1922. The beneficiary, therefore, claimed that the premiums due on April 6, 1923, and in succeeding years should have been waived by the company and the policy kept in force until the death of the insured.

#### Introduces Unfavorable Factors

Each claim like the above introduces two factors which are unsatisfactory from the standpoint of the company. The disability benefits in all policies provide that in order that benefits may be payable, the disability must occur while there is no default in the payment of premiums. In practice, companies generally assume that notice of disability will be filed promptly and, consequently, when a policy lapses, under which no notice of disability has been received, no further reserve is carried under the disability benefits. In fact, under policies like the above, no reserve is carried for the life insurance after the extended insurance has expired. If, therefore, the filing of notice of disability may be postponed indefinitely, companies may find themselves liable for considerable amounts for which no reserves are being carried.

#### Difficult to Obtain Proofs

What is of more importance, however, is the difficulty of obtaining satisfactory proofs that total and permanent disability within the meaning of the provisions of the policy existed when the unpaid premium was due, if the notice of claim is postponed for any considerable length of time after the disability began. This is a very real problem which becomes more difficult as time elapses from the beginning of the disability and becomes particularly hard to solve where in the meantime the insured has died.

In investigating this question, the disability provisions of 50 prominent companies were reviewed and it developed that the disability provisions of the va-

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General Age Limits 0 to 60.  
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Participating and Non-Participating Policies, Medical and Non-Medical.

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Double Indemnity and Total and Permanent Disability features for Males and Females alike, Medical and Non-Medical.

Standard and Substandard Risk Contracts.

Our Class C Senior Agents may write Non-Medical Applications for as much as \$3,000.

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B. R. NUESKE, President

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rious companies may be roughly divided into two classes with respect to the time when proof of disability must be filed. Thirty-six companies provide, in one way or another, that proof of total and permanent disability must be received before default in the payment of premium and that upon such receipt the premiums falling due thereafter will be waived by the company. Fourteen companies provide for the waiver of premiums falling due during disability, if disability occurred before the default in the payment of any premium. Practically all of the contracts which have been before the courts for construction have been of the first class, although not always clearly so.

#### Decisions Against Companies

The first of the cases decided against the companies is the Southern Life vs. Hazard, 148 Kentucky 465, 146 S. W. 1107, decided in 1914. The policy contained a provision that "Premiums on this contract will be paid by the company if the insured is wholly disabled. After one full annual premium shall have been made and before default in the payment of any subsequent premium, if the insured shall furnish satisfactory proofs that he has been wholly disabled by bodily injury or disease and will be permanently, continuously and wholly prevented thereby for life from pursuing any and all gainful occupations, the company by endorsement in writing upon the contract will agree to pay for the insured, the premium, if any, which shall thereafter become payable during the continuance of such disability." On June 25, 1910, before the second annual premium became due on Sept. 27, 1910, the insured was wholly disabled by disease from pursuing any gainful occupation and this disability continued until the time of his death on May 18, 1911. The second premium was not paid, but on Dec. 21, 1910, proof was furnished the company of permanent total disability. The company denied liability because notice of disability was not given before the default in the second premium.

#### Time Not Essence of Contract

The court in deciding for the plaintiff said, "This court has repeatedly held that the right of the insured to a paid-up policy or to any existing rights under a policy is not lost or forfeited by a failure to surrender the policy within the time required by the policy, upon the theory that the insured's rights having been earned and become fixed by previous payment of premium, time has ceased to be of the essence of the contract. In the case at bar, Hazard's right to have the company pay his premium was fixed under the terms of the policy at the time of becoming disabled on June 25, 1910. He was not required to pay anything to have that right perfected since by the terms of the policy all he had to do was to furnish proof of his disability. The right, therefore, having been fixed during the lifetime of the policy and without payment of any further premiums, it is apparent, under the authority of the Montgomery case and other cases heretofore cited, that time was not of the essence of Hazard's right to have the company pay his premiums. The presumption naturally arises, that having become totally disabled physically; he was not in condition to attend to his business with the promptness which is required of persons in normal condition. It is such conditions as these that give rise to the doctrine that time is not in equity of the essence of the contract. Since Hazard had the right at the time of becoming disabled for the mere asking to have the company pay his premiums until his death, we see no reason why under the authorities heretofore cited that he should not have a reasonable time thereafter in which to present the proof of his disability as required by the policy. Under the facts of this case, we are clearly of the opinion that the proofs of disability were furnished within a reasonable time."

The Hazard case was followed by the same court in the case of Metropolitan Life vs. Carroll, 273, S. W. 54, 209 Ky.

522, decided in 1925. The disability provisions were similar to those in the Hazard case and the insured became seriously ill on July 13, 1923, and died on July 30 of the same year. The premium due on June 27, 1923, was never paid and no proof of the insured's condition was furnished the company before his death. After he died, the company denied liability upon the policy. The court in following the decision in the Hazard case said: "Before the days of grace expired, the insured was stricken with a mortal disease. He could not furnish proofs before he was taken sick and it would be a very unreasonable construction of the contract to say that he lost his right by not presenting proofs while in this condition and before his death on July 30. Such a construction of the contract would make it of no value to the insured in such cases, although this clause in the contract would, in many cases, be the inducement for taking the insurance; for this kind of insurance is usually taken by people who work for their living and who rely on the company carrying the premium in case they became disabled. A very strict rule has been followed in favor of the insurer where the annual premium is not paid when due, but this is for the reason that the annual premium is the basis of the contract and the business cannot be carried on without the payment of the premiums. But the furnishing of proofs of disability is entirely of a different nature and it is a sound rule that time is not the essence of the contract and the proof may be furnished in a reasonable time."

#### Hinged on Different Theory

In the case of Aetna Life vs. Palmer, 159 Ga. 371, 125 S. E. 829, decided by the supreme court of Georgia in 1924, the decision was based apparently on an entirely different theory from that advanced in the two Kentucky cases cited above. The contract in this case contained the usual provisions for payment of premiums including days of grace and also that, "six months after proof is received at the home office of the company, before the sum of any instalment becomes payable, that the insured has become wholly, continuously and permanently disabled, the company will if all premiums previously due have been paid, waive the payment of all premiums falling due thereafter during such disability." After the arrival of the first anniversary of the policy but during and before the expiration of 31 days of grace, the insured became totally and continuously disabled and thereafter remained totally disabled, and the question was whether under such condition the non-payment of the second premiums on or before the maturity of the grace period would cause the policy to lapse or prevent the recovery of the monthly indemnities provided for in the policy. The court said, "The non-payment of the second premium on or before the maturity of the grace period will not cause the policy to lapse or prevent the recovery of the monthly indemnities therein provided for." It based its opinion on a series of cases which decided that if the insured under a life insurance policy dies after the date when the premium becomes due but during the days of grace, the company would be liable for life insurance. These cases are: McMaster vs. New York Life, 183 U. S. 25; Gottlieb vs. Mutual Life, 225 Pa. 102; Cilek vs. New York Life, 97 Neb. 56 and 6 Supp. Coolidge's Briefs on Insurance, 779.

#### Insured Was Mentally Deranged

Finally, we have two cases decided in Texas, the first being the Merchants Life vs. Clark, 256 S. W. 969, Texas court of appeals, 1923. This was an action on a policy for \$5,000 in which it was agreed "To pay the insured 20 annual instalments of \$250 each upon receipt of written request of the insured with waiver of all other benefits hereunder, and due proof of permanent total disability, the first instalment of such benefits to be paid immediately upon receipt of due and satisfactory proof of perma-

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## Con mū topics

(Topics of The Connecticut Mutual)

Vol. 1

December, 1926

No. 7

## That's Team Work!

40 successful sales ideas contributed by our agents appear in the current issue of Conmutopics, the monthly sales magazine of our Field Force.

## THE CONNECTICUT MUTUAL LIFE INSURANCE COMPANY

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ment and total disability—." Further, "Payment of premiums will be waived by the company during any period in which the insured is entitled to this benefit." The date of the policy was June 21, 1920. On May 15, 1921, the insured became afflicted with a mental derangement which apparently wholly incapacitated him from engaging in any gainful occupation, and continued until his death on August 27, 1921.

#### Submitted Question to Jury

The insurer set forth that the policy provided that if any premium was not paid when due, it became ipso facto null and void and all premiums previously paid reverted to the company. The company further alleged that the premium due on June 21, 1921, was never paid and that the policy was, therefore, not in force at the time of the insured's death and that request for disability benefits was not made during the lifetime of the insured. The question as to the total disability of the insured was submitted to the jury, and the jury found that the insured was totally disabled from June 21, 1921, to his death. Demand by the attorney for the widow for claim papers was not made on the company until Nov. 18, 1921. In addition to the papers proving disability the insured was required, in accordance with the provisions of the policy to file with the proofs a waiver of all further interest in the policy except in accordance with the provisions of the contract.

#### Not Limited by Time

The court in deciding against the company, said, "It would not appear from the forfeiture clause or any other part of the policy that proof, request, and waiver referred to, must have been made before the expiration of the 31 days specified. On the contrary, the time within which the insured was to make such proof, etc., was not limited by anything in the policy. That being true, it could not be held when the rules for construing such a contract are kept in mind that the insured forfeited his right to the instalments if disabled as determined by the jury, because he did not make the proper request and waiver before the expiration of 31 days. The insured being entitled, according to the findings of the jury, to demand payment of the instalments on making proof, request and waiver, the most appellant could contend with reference to proofs, was that they be made within a reasonable time after disability arose. The judgment involves the finding that the insured died before the expiration of such a time and the policy provided that if the insured being entitled to the instalments because of his disability, should die before all of the same were made to him, the amount of instalments not paid should be paid to the appellee upon receipt of due proofs of death of the insured."

#### Uniformity Is Lacking

This review of cases which have come before the courts for decision under total permanent disability policies reveals the fact that there is nothing like complete uniformity of decisions under either of the two types of contract described in the early paragraphs of this paper. Nor is there ever likely to be, as could be easily demonstrated if it were possible to examine the hundreds of cases which have been decided under similar provisions of other types of insurance contracts. There is no reason for believing that the course of the decisions under total disability provision in life insurance policies will be different from those under accident policies, particularly if the requirements as to notice and proof of disability are at all drastic or unfavorable to the insured. It must be remembered that almost every policyholder who becomes entitled to such benefits is necessarily incapacitated to a greater or lesser degree from taking care of ordinary business transactions and a large percentage are actually incompetent. While it is true that notice and proof may be filed by the beneficiary or some other party acting for the insured,

quite frequently the existence of the policy is known to the insured alone. Indeed disability benefits are a more or less incidental feature of a life insurance policy, and the conditions of the sale often make it easy for the insured to forget their existence. Such cases are not at all unusual in practice.

#### Hard to Enforce Provision

It seems that a provision requiring proof of disability to be filed before default in payment of premiums as a condition precedent to receiving benefits is going to be hard to enforce in many cases where the physical impairment against which insurance has been purchased, makes it difficult and perhaps impossible for the insured to give the required notice and proof. Furthermore, since once disability has begun, the insured may have his premiums waived merely by giving notice and proof without payment of further consideration, the propriety and necessity for such notice requirements may be questioned, as they were in the Kentucky cases cited above.

#### Danger of Unjust Claims

On the other hand, those companies which agree to waive all premiums falling due during disability which began before default, irrespective of the time of giving notice, have undoubtedly laid themselves open to many unjust claims which it will be difficult to contest because of the obstacles which the lapse of time will put in the way of getting evidence of the true facts. Most courts will probably hold that the claim must be made within a reasonable time, but what is a reasonable time is uncertain and will always depend on the facts in each individual case. Such a rule will often prove a weak reed to lean upon.

#### Follow Accident Companies

It may, therefore, not be out of order to suggest in conclusion that eventually life companies will find it wise to follow substantially the practice obtaining in accident insurance and to agree to waive all premiums falling due during disability, if disability began before default in payment of premiums, provided, however, that the right to waiver and other benefits shall not relate back for more than a definitely stated period prior to receipt of notice of disability by the company. Such a period would probably have to be longer than the 10 or 20 days' notice required in accident policies, but whether it would be six months or a year, it would undoubtedly work more equitably for the insurer and insured than the present provisions, and would be more likely to obtain the general sanction of the courts. Of course even under the most liberal provisions, borderline cases will arise and unsatisfactory decisions will be rendered, but the number of such cases will at least be minimized. In the long run, life insurance companies will undoubtedly find it necessary and profitable to provide broad and liberal disability benefits including reasonable provisions as to notice and proof, and, if necessary, to increase premiums to a point where they will be sufficient to cover the risk involved. At least, that has been their experience and policy as to their regular life business, and there is no sound reason for treating these additional benefits otherwise.

#### Duff Leaves Kansas Life

The resignation of Hugh Duff, agency supervisor for the Kansas Life of Topeka, was announced this week. Mr. Duff is going to continue in the insurance business but is not yet ready to announce his connection. He has been agency supervisor for the company for nearly three years. In that time more than \$10,000,000 of business has been placed on the books of the company. F. H. Scholle, secretary of the company and S. H. Cobb, one of the directors, have just returned from Texas, where they completed the plans for an extensive campaign in that state.

## INDIANA'S INSURABLE INTEREST LAW STUDIED

Has Outlived Its Usefulness and Should Now Be Repealed

### WAS NEEDED WHEN PASSED

Act Should Not Be Kept on the Books After It Has Served Its Purpose

By R. F. BAIRD

General Counsel Lincoln National Life

[Extracts from paper read at the convention of the Association of Life Insurance Counsel in New York this week.]

The subject of this paper was inspired by some comparatively recent as well as rather torrid and sulphuric remarks cast in direction of the insurable interest laws of Indiana by counsel for certain companies foreign to the state. The remarks were not by way of innuendo, but to the contrary were outspoken and frank in their disapproval of the Indiana act so that nothing was left open to conjecture and nothing smacked of that ambiguity oftentimes said to exist in that carefully constructed instrument, the insurance contract. One of the gentlemen, who addressed me with reference to the subject matter, remarked without reservation that the Indiana law which restricts insurance to a certain class was a thorn in the side of every insurance company, which should be immediately and forthwith extracted by the legislative forceps.

#### Study Law in History's Light

Looking into the past in order to obtain a premise for the future, one perceives that the business of life insurance was in its infancy less than a century ago; so, too, the law of insurance. Time has witnessed the growth of that business into a giant youth of splendid promise with a giant's strength, and the law pertaining to it, into a giant enigma. We of today are prone to challenge the intents and purposes of courts and legislators of yesterday. In this we err and are manifestly unfair when we fail to give due credit to the changing conditions, and the needs of the hour. Therefore, by reason of the fact that experience is the foundation of the law, and the law an evolving science, insurance laws should be read in the light of the times in which they were created.

#### Many "Graveyard" Companies

Some time prior to March 11, 1901, it is a matter of more or less common knowledge that Indiana acquired the questionable reputation of being the home of "graveyard insurance companies." The epithet, "graveyard insurance company" owes its existence to certain alleged unscrupulous and unbusinesslike insurance companies existing some time before, and a short time after, March 11, 1901. Upon information it is stated these insurance companies wrote insurance without regard to the age or health of the applicant. Possibly it is not an exaggeration to state that old age and ill-health were capitalized by these insurance companies. The business practice of the so-called "graveyard insurance companies" of writing insurance on lives without reference to the risk involved, made speculative life insurance much more attractive. As the business of life insurance is usually conducted, the insurer exercises great care in selecting the lives insured, and, in addition, scrutinizes the entire transaction to detect possible speculative intent. The same was not true with the so-called



"graveyard insurance companies." With such companies in the field, the speculator had the advantage of choosing the risk on which to place his money.

#### Dodged Insurable Interest Laws

Although the business practice of the "graveyard insurance companies" of writing insurance without reference to the age or health of the insured, had the effect of making speculative life insurance more attractive to those interested, it did not move all difficulties surrounding such contracts. The speculator had yet the hurdle of insurable interest to negotiate before a recovery could be had on such policies. In order to avoid this objection to the validity of the insurance contract, it was customary for the speculator to cast the transaction in the innocent form of an insurance contract, procured by one upon his own life in favor of a person having no insurable interest. In such a transaction the speculator would, of course, have himself named beneficiary, and trust that his true position as the real contracting party would not be later revealed.

#### Situation Required Regulation

After a time the abuse, made possible by the alleged business practice of the "graveyard insurance companies," as heretofore noted, became so obnoxious as to call forth the following statute, constituting chapter CLXXIV of the acts of 1901:

"That it shall be unlawful for any person, firm, or agency-corporation to take or receive an application for any insurance upon the life of any person in the state of Indiana unless the beneficiary to be named in such policy shall have a bona fide insurable interest, in whole or in part, in the life of such insured, or unless the beneficiary to be named in such policy is related to the person insured in the degree of kinship not further removed than first cousin.

#### Restricted Writing of Policy

"It shall further be unlawful for any person or firm knowingly, or for any corporation, with the knowledge of any officer thereof, to write any policy of insurance on the life of any individual in the state of Indiana unless the beneficiary named in such policy shall have a bona fide insurable interest, in whole or in part, in the life of such insured, or unless the beneficiary named in such policy is related to the person insured in the degree of kinship not further removed than first cousin, and unless the person so insured shall have first passed a satisfactory medical examination by a physician duly authorized to practice medicine in the state of Indiana, and such examination shall have been duly signed by such physician."

The above act was amended in 1913 by adding a proviso at the end of the second paragraph to the effect that no medical examination of any person to be insured shall be required or be necessary when the amount of the policy of insurance is less than \$300. The act was again amended in 1921 by raising the medical exemption to \$500. The act was last amended in 1925 by striking out entirely that part of the second paragraph pertaining to medical examination.

#### Act Was Urgently Needed

The history of the above act is of more than usual interest to one interested in the process of law-making. It was called into being 25 years ago because of an urgent need of that time. To recapitulate briefly the situation then existing: The so-called "graveyard insurance companies" had revived the interest in speculative insurance because of their practice of insuring lives without much reference to the age or health of the applicant; this added interest in speculative insurance made the usual restrictions as to insurable interest inadequate. The result was that more speculative insurance was written. The act of March 11, 1901, struck at both the primary and secondary cause for such insurance. Aimed at the primary cause was the prohibition that no policy be issued unless the applicant first pass a

satisfactory medical examination before a competent physician. Aimed at the secondary cause was the prohibition that no agent accept an application for life insurance, and that no insurance company issue a policy, unless the person named as beneficiary have an insurable interest, or be related within a certain degree of kindred.

#### Act Served Its Purpose

The act had a salutary effect as is proved by the fact that the so-called "graveyard insurance companies" are no longer in our midst. Unfortunately, our statutes are not automatic and, for that reason, we have a statute in force which has no present justification. It is of value to the social group today in much the same way as the vermiform appendix and tonsils are to human beings. The three amendments of the statute has emasculated it as regards its primary function of prohibiting insurance companies from writing life insurance without respect for age and health, but has left untouched that part of the statute pertaining to the naming of beneficiaries.

#### Was Negative Enactment

Before considering whether the act of 1901, as amended, should not be entirely repealed, let the meaning and effect of the amended act be considered. It should first be noted that the act is in the nature of a negative enactment. This is made clear by the fact that the first and second paragraphs begin with the statement: "It shall be unlawful for any person," etc. The fact that the act is in the nature of a negative enactment is of importance in determining its true construction. Thus, it has been held by the appellate court in the case of *Miller vs. Travelers*, 144 N.E. 534 (1924), that the fact the act is in the nature of a negative enactment justifies the construction that it makes invalid contracts that were valid before its enactment but has no effect in making valid contracts that were invalid prior thereto. This construction seems correct, as it is quite clear that the legislature had no intent in passing the act other than that of putting an end to the abuse heretofore considered. It should be further noted that the act in no wise changes the definition of insurable interest.

#### Questions Court's Dictum

Now, supposing a life insurance agent and his company disregard the statute and grant A insurance on his own life in favor of a non-relative, having no insurable interest, would such a policy be invalid? Certainly the agent and his company are liable under the statute, whether they acted in good faith or not. A, on the other hand, may have been acting in good faith, and will be greatly injured if the contract is held invalid, especially if he is not apprised of the invalidity before he becomes an unfit subject for insurance. The case of *Miller vs. Travelers* contains a dictum to the effect that such contracts are void. This dictum seems questionable. Other cases touching other subject matters wherein penalizing statutes imply a prohibition against the doing of certain acts are in harmony with the dictum of *Miller vs. Travelers*. Nevertheless, it would, at least, be unusual for a court, in an action by the insured or beneficiary against the company to recover the amount on the policy, to decline relief because the insurance company and its agent violated the law. The result of such a holding would be that the insurance company would have the paid-in premiums to apply against the fine with which it might later be charged. Such a showing of generosity in favor of an insurance company can hardly be expected. If, on the other hand, the insurance company or its agent were suing on such a contract, then it is to be expected that no recovery would be allowed.

#### Sees Affirmative Construction

Consideration is now invited to the effect of the 1901 act, if any, on the law prior to that date holding that a person cannot procure insurance on the

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1. Returned all extra war premiums voluntarily.
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4. Equalized the net premium cost to all old policyholders when dividends were increased.
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**MIDLAND MUTUAL LIFE**  
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**COLUMBUS, OHIO**

*"Its Performances Exceed Its Promises"*

life of another unless he has an insurable interest in that life, insurable interest being defined as a pecuniary interest. A reading of the act as it appears in cold type warrants the assumption that the law had been amended so that insurance might be procured by one upon the life of another so long as the beneficiary sustained the degree of kinship provided by the act, although not coupled with a pecuniary interest. Such a construction of the act would give it an affirmative effect in that it would be giving validity to those contracts which theretofore would have been invalid. As heretofore suggested, the act has been construed as a negative enactment, having no effect except as to invalidate contracts which were theretofore valid. The voice of the court has spoken on this point in *Miller vs. Travelers*, supra. The appellate court took the position that the statute had no affirmative effect and, for that reason, the situation under consideration must be determined by the law in force prior to its enactment. We are therefore safe in concluding that the act of 1901 has not changed the law pertaining to the procurement of insurance by one person upon the life of another.

### Should Be Repealed

In conclusion, it may be frankly stated that as a matter of practical application the act has not proved to be as serious an impediment in the paths of insurance progress as might be assumed. Varied means have been used in obtaining desired results and in eluding the ogre of the castle and still be within the law. It is submitted, however, that the law is in some respects in restraint of that freedom man should be permitted to exercise over his own contracts, and, to that extent, obnoxious. Therefore, if the intent of the act has served its purpose; if the period of its usefulness has passed into decay, then, reiterating to the imprecations hurled at the act by any legal brethren as first herein set out, resting firm in the opinion that a reversion to the former law tends to uniformity of the laws, and believing such a thing not impossible of attainment, it is my concluding opinion that the far-reaching arm of the legislature should be invoked that a gesture be made in repeal of the act in toto.

## WORK OF ASSOCIATION RECITED BY CHAIRMAN

(CONTINUED FROM PAGE 1)

his ideas to a group of company officials who met in 1906, in response to a call issued by him. The Association of Life Insurance Presidents was the result. Although experience has suggested modifications of the original plans, it is a tribute to his genius and prophetic foresight that Mr. Morton's idea still remains a fundamental in the work of the association.

### Grover Cleveland First Chairman

As a result of one of the many happy suggestions of Mr. Morton, Grover Cleveland was elected first chairman and counsel of the association. In Mr. Cleveland's conviction concerning the value of life insurance, as he expressed it, to the "mass of the plain and common people," we find the motive for his great concern to maintain and enhance popular confidence in the institution. For this reason, he regarded our invitation as another call to public duty, and this consideration, more than any other, influenced him in accepting it.

### Developed the Organization

The association was also fortunate in the selection of Robert Lynn Cox as its first attorney and secretary. Mr. Cox, who became general counsel and manager after Mr. Cleveland's death, brought to the association ability as an executive, wide experience as a lawyer and legislator, and a broad vision of the usefulness of the association. On him fell the task of developing an organization and of projecting the work of the association into constantly broadening fields. His pioneer labors were

crowned with conspicuous success. After ten years' faithful service, Mr. Cox left the association to become a member of the official family of the Metropolitan Life of which he is now second vice-president.

At this point let me also refer to the forward progress of the association under the able and efficient leadership of our present manager and secretary, George T. Wight. The history of the 20-year period would not be complete without recording the fact that during Mr. Wight's management the number of member companies has increased from 28 to 61. There has been great harmony and unity of purpose and the interests of the policyholders and of the companies have been most effectively safeguarded.

### Has Opposed Tax Increases

The menace of increased taxation of life insurance policyholders has been ever present. Against this danger, the association has been on guard continuously. Public demand for increased service from government results in an apparent need for constantly increasing revenues. There must be no lagging in the effort to keep clear the vision of the law-maker in respect to the effect of taxation upon the individual policyholder. The business continues to face many tax proposals. There is, however, some recompense for this long vigil in the fact that during the past two years there has been no increase in the United States in insurance taxes imposed upon life companies. It is to be hoped that we may take this fact as a recognition by legislators that we have reached the maximum of life insurance taxation.

### Disseminate Reliable Information

As knowledge is the basis of understanding, the dissemination of reliable information respecting life insurance has been the constant purpose of the association. There have been presented, in popular style facts of wide public interest. Our annual conventions have given increasing attention to the broader aspects of life insurance in its relation to the social and economic welfare of the nation. The public wants to know what the life insurance companies are doing with their funds. Our investment papers have frankly and fully answered this question. The public is interested in knowing that the institution of life insurance is progressing. Discussion from our platform of new services, of new benefits added to policies, of new methods of safe-guarding the funds of beneficiaries and other like subjects, serves to inform not only our own policyholders, but the public generally, of the benefits of life insurance and its ability to meet their needs. Public health is primarily of interest to us because of its relation to our policyholders, but, from the valuable facts and suggestions presented in our discussions of this subject, benefits accrue also to the public.

### Work With American Life Convention

The Association of Life Insurance Presidents has not been the sole medium for the expression of the common purposes of life insurance. The American Life Convention, embracing a large number of companies, principally of the younger group in the south and west, has functioned efficiently in the attainment of similar objectives. It has been our mutual good fortune to have these two organizations work in harmony. Cooperation of a large number of individuals is the fundamental of life insurance, no matter what the form of company organization. It is, indeed, fitting that this spirit should be paramount in those things of common interest to all policyholders.

### Is a Thrifty Nation

America has been pictured as a land of spendthrifts and wasters by those taking the narrow meaning of thrift. We have not perhaps been as frugal with our natural resources as some nations. It is but recently, as time is measured by history, that we have emerged from the period of superabundant natural re-



sources and the intensely individualistic spirit of our pioneer ancestors. The growth of population has added to the complexity of our life and emphasized the need of closer cooperation. But notwithstanding the continuing charges of extravagance heard on many sides, we gain a heartening appreciation of the progress of American thrift and are enabled more accurately to appraise the universal benefits of life insurance by an accounting of its service to the American public during the last 20 years, the lifetime of the Association of Life Insurance Presidents.

#### Remarkable Growth Shown

The payments to life insurance policyholders and beneficiaries are now annually nearly five times the amount returned 20 years ago. The amount that will be paid to American policyholders and their beneficiaries this year will reach the unprecedented figure of \$1,350,000,000. In 1906, 20 years ago, the sum returned was \$287,000,000. The aggregate of these payments for the 20 years just ended is \$14,000,000,000. When we picture the sacrifices that the fathers and mothers made in the years gone by to accumulate this fund to carry on their families, we wonder if there can be as much extravagance as we hear about on every side. In 1926, death claims will be paid to the beneficiaries of 500,000 deceased policyholders, approximately one-third of the total deaths in the United States.

We must further visualize these illuminating facts in order adequately to appreciate the tremendous and far-reaching influence of life insurance on American society. Life insurance, as it today serves the needs of the family, does not stop with providing mere sustenance for dependents. It pays the mortgage on the home after death and keeps children under the parental roof; it enables the mother to exert that influence on the lives of our future men and women for which she alone is qualified; it provides an education for the children and thus

fits them more fully to meet the demands of life; it protects estates against diminution by the claims of the tax collector and the debtor. Payments to policyholders who become totally and permanently disabled and payments of matured endowments are helping to solve the problems of those who become non-producers because of old age or disease. In the business world, life insurance compensates partners for loss through death of valued associates and likewise corporations for the loss of important executives.

#### Social Problem Must Be Solved

We must consider thrift first in relation to man-power. That always has been our problem, for we have not suffered from too great density of population. Here we have two views, the social and the economic. Humanitarian considerations demand that every effort be made to prevent disease and relieve human suffering. National considerations demand the preservation of the lives of our citizenry. Economic considerations demand that in commerce and industry we develop the maximum productive capacity of the individual. The attainment of these ends requires the use of vastly different forces. Science must do its part in seeking the cause and cure of disease. Government must bring into play those forces which it controls. Business and industry must seek the road to labor efficiency. The individual must recognize his responsibility. No one of these forces is effective alone and unrelated to the others. Thus we find cooperation to be a necessity for the maximum enjoyment of the benefits of our day and the achievement of further progress.

#### Address McNamara Meeting

NEW YORK, Dec. 8.—The last two speakers before the fall educational course of the John C. McNamara Organization here of the Guardian Life were Dr. S. S. Huebner, who delivered a very enthusiastically received address

on "Life Values," and Henry Sheldon of the McNamara agency. Mr. Sheldon came into the business two years ago without any previous experience but has already made a name for himself as a personal producer. As he believes the pre-approach is the fundamental basis on which successful sales are made, he stressed the point that all agents should be masters of referencing and of the maneuvers that create opportunities for favorable interviews. He explained the methods he has used in solving his difficulties before and during the interview in the hope that his audience might be helped in solving their problems in the same way.

The next speaker will be John William Clegg, past president of the National Association of Life Underwriters, present chairman of its executive committee and the leading producer of the Penn Mutual in Philadelphia.

#### Joins Bankers Life Staff

John M. Grimes, Jr., for several years assistant cashier of the First National Bank of Perry, Ia., has resigned to enter the advertising department of the Bankers Life of Iowa under the supervision of B. N. Mills, advertising and publicity director. Mr. Grimes took the journalism course at the University of Missouri.

#### Denies Merger Rumor

Rogers Caldwell, president of Caldwell & Co., investment bankers of Nashville, Tenn., with large holdings in insurance companies, positively denies that the Missouri State Life of St. Louis will take over the Cotton States Life of Nashville and the North American Life of Omaha. The matter is not even under consideration, he says.

Oscar H. Corey, 55 years old, died at his home in Fairfield, Ia., the past week. Mr. Corey was well known over southeastern Iowa as district agent for the Bankers Life.

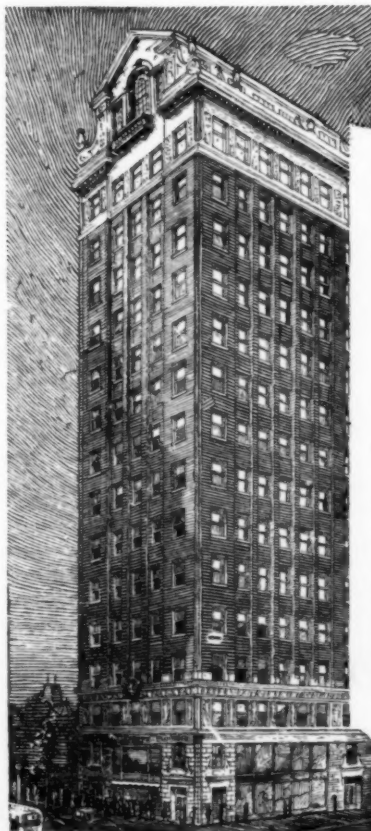
## MANY MILLION GAINED

### WILL GET BACK LARGE SUM

Life Companies Are Jubilant Over the Recent United States Supreme Court Decision

NEW YORK, Dec. 9.—The life insurance companies are jubilant over the United States Supreme Court decision in the Mutual Benefit Life case involving federal war excess profits tax. This was a test case and involved so far as the Mutual Benefit was concerned \$83,779. The government refused to recognize the company's policy reserve or any part as invested capital under the war excess profits tax provision of the revenue act of Oct. 3, 1917. It is interesting to know that Charles E. Hughes of New York City, former Supreme Court justice, argued this case before the United States Supreme Court the same week that he argued the case for the fire insurance companies which were contesting the demands made upon them under the personal property tax act in Illinois. Mr. Hughes was retained in both cases and made the arguments before the court. The companies interested in the United States Supreme Court decision had something like \$25,000,000 at stake. Therefore claim will be made for this amount by the various companies. Both stock and mutual companies are interested. The amount involved in the Illinois fire insurance tax cases was about the same. Life insurance executives are pleased therefore with the recent trend in decisions of this kind because they feel that corporations can secure justice if carried up high enough.

George T. Brandon, aged 74, of Bellefontaine, O., brother of C. W. Brandon, president of the Columbus Mutual Life, died this week.



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If you are seeking a General Agency connection you will, no doubt, be interested in a contract with a Company which combines the advantages of SERVICE TO POLICYHOLDERS and PROFITS TO FIELD MEN; one offering PARTICIPATING and NON-PARTICIPATING POLICIES to the Public and a FULLY PARTICIPATING CONTRACT to its Agents. One in which the circle of mutuality is extended to INCLUDE THE PRODUCER.

**"THE PRESENTATION"**  
The Central Life offers a wide range of policies, including Child's Educational, Mortgage Coverage, Low Cost Preferred Risk and Double Protection Policies.

#### SERVICE TO POLICYHOLDERS

Dividend factors: Mortality 1924-1925, 30%.

Interest earned, 5.8%.

Ratio assets to liabilities, \$1.12.

While a stock company, its profits to stockholders are limited by its charter. (Present non-participating policies provide for dividends after they are paid up—retro-active as to old policies.)

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to Make  
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Capable  
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## Christmas and Employee Gifts

With the approach of the Christmas holidays, Executives are giving thought to plans for employee recognition.

What better for this purpose than **GROUP LIFE INSURANCE**? A permanent benefit to employees and their families.

The cost is surprisingly low.

The facilities of this company in **GROUP INSURANCE** always at your service.

Address Inquiry Bureau, 197 Clarendon Street, Boston, Mass.



A Strong Company over Sixty Years in Business. Insurance in Force of \$2,400,000,000. Liberal as to Contract. Safe and Secure in Every Way.

## AGENTS WANTED

*If you are interested in long renewals and unexcelled "Home Office Helps", communicate in confidence.*

**A. C. LOVELL**

3719 Washington Ave.

St. Louis, Missouri

# IF

you are reading this it is because something about this bit attracted your attention. If you are still reading this it is holding your attention. If we are still holding your

attention we must be holding, well—how many of the other 10,000 readers would you say?

Now if you wanted to reach the (how many would you say?) of 10,000 insurance men where could you find as good a place to reach them as through the advertising columns of

The National Underwriter? If you think the advertising rates are high, write The National Underwriter, Chicago, and be pleasantly surprised.

# IF

## A WORKING PLAN FOR INSURANCE TRUSTS

Striking Outline of Subject Made in Address Before Fiduciary Conference of American Bankers Association at Omaha This Week

By H. F. PELHAM

Trust Officer, First National Bank Flint, Mich.

**C**OOPERATION between the trust officer and the life underwriter is becoming a real, valuable association as fast as understanding develops. It is a three party movement with a worthy object. The public with its men possessed of provident ideas seeking means of expression and with its women, children and aged to be cared for, shielded and aided, is one party. The creator of a large part of the subject matter of this great trust, that is, the life insurance fraternity with its wonderful financial structures designed to create the funds, is another party. The corporate fiduciary with its experienced organizations at hand trained specifically for the administration, in the light of constantly altering and unforeseeable conditions, of the properties of the public augmented by or composed of the funds provided by understanding underwriters, is the third party. The object is the stabilizing of our social structure in every way, the alleviating of suffering and disappointments, the maintenance of property values and of credit, the maintaining of our educational balances through the uncurtailed schooling of those whose environment and hereditary expectancies are looked upon to raise the intellectual standard of our American life—worthy objects you will agree. We are all agreed as to the desirability of our objects. We are agreed that here is an opportunity to keep out from under the cloud which popular mind has associated with the idea-expression "Cooperation," and to operate with each other for the common well-being.

### Good and Bad In All Professions

As in every profession, we find all shades of character and all degrees of educational attainment and of ability. It is so in the law, in banking, and in the trust field, and in the insurance field as well. You will concur with me I am sure when I say that not every insurance man is capable of interpreting trust insurance to his prospect because the insurance trust is post graduate insurance service as well as post graduate trust service. Basic courses in both schools must be mastered and passed. We of trust affiliations do not speak insurance as our native tongue, neither do all insurance people speak trust without local accent. Part time and unprepared salesmen will not place many insurance trusts. Only as we are capable of understanding and of thinking in each others' business terms can we express ourselves properly in terms of both our professions. Study is the prerequisite. If so, then why should we not study together? Such a study class was conducted this year at Flint, Mich., one of our middle-size, mid-continent cities.

### Example in Flint Is Quite Representative

It might be stated briefly that Flint is a city of approximately 150,000 persons, intensely industrial with a large class of men receiving good salaries. It also has some vested wealth, a good city indeed, with considerable of life insurance outstanding. As is a common trust officer's experience from time to time I had been called upon by various insurance agency managers to talk at their agency conferences and at such times I always aimed to stimulate questions. The type of questions interested, even startled me and my early reaction was that I did not want the underwriters trying to sell trust insurance and trust services. Eventually it dawned on me that I knew but little about life insurance, on the other hand. One thing impressed me though—the universal feeling of sincerity, of desire to give to each of their patrons the form of policy best

fitted to the particular facts existent in each case. Earnestness always challenges attention. Many of the underwriters have called at the trust department of the bank for additional information, some bringing concrete cases for consultation resulting in a fair amount of insurance trust business being developed. But it was a slow process.

### Saw Need for Some Working Arrangement

The need was apparent for a working arrangement to prevent misapprehensions on the part of the public as well as on that of both the underwriters and of the bank. But how could that be brought about? It was suggested that a banquet or dinner be tendered the insurance men whereat they would gather with the bank's board of directors and officers. The dinner plan was discarded as smacking too much of obvious inducement. Every campaign, public or private, seemed to have to start with food. Cooperation thus sought it appeared in the light of local conditions would not let us get down to local needs and mutual help. A general campaign addressed to the public through the press and post was studied and planned and then set aside to season. It would not get to real facts. It would not, through shot gun methods, get the most desirable game. To get the big bucks out of the northern Michigan woods the hunter needs a high powered rifle and ammunition and above all a capable guide. A shot gun never brought down much venison—it only frightens them a little, making them prey of others.

### Mutual Understanding Had to be Developed

Individual trust solicitation, the one truly productive form of trust extension effort would not help the insurance men except incidentally because the trust solicitor is not versed in the varieties of insurance policy possibilities. While of course solicitation would still be actively maintained it did not seem to be the solution of the problem as presented to my mind, because it was not co-operative—it was only what the insurance men themselves were doing and we would not be helping each other except in rare instances.

Mutual understanding had to be developed. We needed a capable guide and all our plans were shelved in favor of the ones which would place the insurance men and the bank's trust officials on common ground.

### Held Joint Conferences of Life and Trust Men

Representatives of the various agencies met in conference at the offices of the trust department and the plan of a course treating the subject of the life insurance trust divided into four discussion sessions of an hour and a quarter each was presented. Successive Monday mornings at 8:30 were the times selected the various meetings to be held in the director's room at the bank; copies of the outline for the discussions were distributed. The first two-thirds of each period was devoted to the general topic set for that day; these topics were, "What Underlies Trusts and Insurance," "The Common Forms of Life Insurance Trusts," "The Less Common Forms of Life Insurance Trusts" and, lastly, "General." The balance of the time in each case was occupied by the exchange of questions and answers. Questions freely cropped out during the time allotted to the topics. On account of the activity of the discussion on the various points raised during the series, the last meeting extended considerably overtime.

From these four discussion sessions much in the way of good results have



followed to justify them. Many of the insurance agents have advised the bank that excellent leads have been picked up and followed through to the desired conclusion from their standpoint. Many more are still in process of development. From the bank's standpoint direct, gratifying results have already been obtained and many of the prospects actively interested, have definitely committed themselves to insurance-trust programs prescribed for their particular cases. The mutuality of understanding engendered through the medium of the meetings held on common ground "for the common welfare" has carried conviction to prospects for insurance in trust that there is value and sense in the trust idea as applied to insurance, that it is not just another selling scheme, but is a common sense business proposition, that it is in fact the step in advance.

Over nine-tenths of the life insurance trusts in the bank's files are accompanied by the wills of the trustors and in more than three-quarters of the instances, the wills also of their wives or the principal beneficiaries of the trusts are in the files. It is submitted to you as a question—can anything follow real understanding other than beneficial results?

#### Is Plan Applicable To All Smaller Cities

As mentioned earlier, Flint is a moderate sized city—one wherein the insurance and trust fraternities are able to know personally their prospects. Broadcast advertising or mass appeal at least in the trust field, is not as essential a foundation for prospect stimulation as it may be in cities the size of Detroit, Chicago, St. Louis, Philadelphia, or even in that larger group of cities of the size of Omaha, St. Paul, Indianapolis, Kansas City. In the cities of Flint's size—Des Moines, Grand Rapids, Tulsa, Memphis, Nashville and even more so in cities smaller than those, access to prospects is simpler and more direct. The clubs are more accessible and consequently more in use, especially the golf clubs, the business houses and office buildings are conveniently at hand and the prospects are frequently encountered on the streets and in the banks—the whole fabric of social life is more closely knit. We all know more of our prospects' individual family and business conditions generally, making direct "prescription" for the separate cases simpler and more compelling. With a working knowledge of the capabilities and demonstrated efficiency of each other, the insurance and trust crafts can get right down to facts. They can work things out together. The decease of a prominent man reopens lagging cases and keeps alive those prospects suffering from sleeping sickness.

#### Self-Serving Men Being Weeded Out

The subject of co-operation between banks and trust companies and the life insurance underwriters certainly is in the ways and means stage, the selling arguments on the subject have been made. The self-serving members of both services are gradually being weeded out as the public becomes more enlightened through contact with those among the insurance and trust fraternities who with long-range vision are themselves enlightened. Advertising and appeal to the masses will have their roles in aiding that enlightenment through stimulating of public thought. Understanding produces uniformity in action and that in turn produces results. To know each other's business understandingly is to know wherein the other's values lie and wherein our own services can rightfully enter. It is an axiom that "Knowledge is back of all achievement." Like the poor, which we are promised, we will always have with us, are the selfish, of our clan as well, always bobbing up to remind us how glad we must be that breadth of vision is to be regarded as a virtue which has its own reward, and that narrowness, single-mindedness, ignorance, willfulness, on the part of

others cannot make inroads on the results of earnest, conscientious endeavor. It is not for us to argue any banker or insurance man into the movement, if he cannot see it for himself he is scarcely capable of being of much help once he does join up. The public in increasing numbers is awakening to the true worth of insurance-created and trust-preserved estates and business men are not slow in passing the word about their social and luncheon clubs that here is a solution of the question: "What is to become of the fruits of their life efforts?"

#### Summary of the Important Considerations

Sizing up this subject of cooperation between life insurance underwriters and the trust officer, it appears to me somewhat in this manner:

We are convinced of the worth of each other's services, the idea of insurance and the idea of trust. The mystery and newness have passed.

We have mastered the statistics of estate devastation and of insurance fund dissipation. They no longer thrill or appal us.

We have caught the light and the need for pleas for open-mindedness is rapidly passing. It behooves us actually to get together in a practical way.

We are ready to deal in concrete particularities, not merely to converse in glittering generalities and high tone phrases of exhortation. We know it is a fine thing, worthy of development, and capable of unlimited growth.

What we do need now is a clearing house for ideas.

Both parties must be broad of vision and constructive in thought. Both parties must learn more of each other's particular lines of work. Both are prescribing a complete program of estate management or development for those of the public who look to both of us for guidance. As a certain factory general manager asked blandly only last week, "Tell me just how can a life insurance trust help me: that is the first sound insurance principle that has developed in years!"

#### Is Task Largely For The Trust Officers

The abilities of each must be known to the other. A capable, willing trust officer, a man of vision, endowed with the desire to aid the insurance prospects, can be of decided help to the underwriter as well as his client.

In conclusion, as I view our subject, the members of our trust staffs must considerably broaden their acquaintance with life insurance in general and learn something of the various types of settlement options under the policies in particular, as well as of the methods and administrative policies of the life insurance companies as to these options.

Owing to the fact that the trust officers are fewer in number than the life insurance men and can operate impartially among them, it appears to me that the burden of assuming the initiative is ours, it is incumbent upon us to accept the responsibility of teaching our friends the real facts of "the trust idea" and of corporate fiduciary administration, including something of the safety, the demonstrated earning power, the almost unlimited extent of the services of the trust-powered bank or company—the undeniable humanistic quality of its daily duties—in short, to convince the insurance fraternity that we are ready, willing and able to perform our share of the bargain. Do these, and the development of new business along insurance trust lines will cease to be a problem.

#### To Open Illinois Offices Soon

The Ohio State Life, which some time ago entered Illinois, expects soon to open offices in Chicago and other cities in that state. President John M. Sarver said this week that no managers have yet been chosen, but that he has been negotiating with several insurance men and that he is on the lookout for others.

## LOUISIANA STATE LIFE Insurance Company

HOME OFFICE  
SHREVEPORT, LA.

### WHY NOT BECOME A GENERAL AGENT?

Many successful agents outgrow their present duties, and continue as sub-agents only because no opportunity is given for promotion.

In the states of Alabama, Arkansas, Louisiana, Oklahoma and Texas, we offer to well qualified agents, liberal General Agency contracts with choice of splendid locations.

Your communication will be received and treated with confidence.

IRA F. ARCHER  
Superintendent of Agencies

## Strengthening the Sales Talk

INSURANCE Salesmen have long realized the value of pictures and charts to illustrate their sales arguments. The message is carried quickly to the brain and the impression is lasting. For this reason, The Aetna "Individual Presentation" is of inestimable value to Aetna-izers in closing sales.

The cover is dark blue and there are various inside sheets—some with illustrations and charts, others left blank for the agent's typewritten program. The great feature of the presentation is that it is designed so that the individual case can be fully presented.

S. T. WHATLEY  
General Agent

Aetna Life Insurance Company  
Suite 2043—230 S. Clark Street  
CHICAGO, ILLINOIS

# Central States Life Insurance Company

ST. LOUIS, MO.

## Agency Openings in

ARKANSAS  
CALIFORNIA  
COLORADO  
FLORIDA  
IDAHO  
ILLINOIS  
KANSAS  
MINNESOTA

MISSOURI  
MONTANA  
NEBRASKA  
NEW MEXICO  
OKLAHOMA  
SOUTH DAKOTA  
TEXAS  
UTAH

WYOMING

□ □

All Ages up to 65  
Participating and Non-Participating  
Standard and Sub-Standard  
Disability and Double Indemnity

ASSETS: \$7,000,000

INSURANCE IN FORCE: \$70,000,000

## SIX MILLIONS ON POLICY HOLDERS

OCTOBER—"POLICY HOLDERS' Month" established a new record.

OUR TOTAL OF NEW EXAMINED business for the month was \$21,081,774 of which \$6,452,939 or more than 30 per cent was on the lives of policy holders.

COMPANY PLANS FOR POLICY Holder co-operation made this possible.

## BANKERS LIFE COMPANY

GERARD S. NOLLEN, President

Established 1879

Des Moines, Iowa

## AS SEEN FROM NEW YORK

BY G. F. WILLISON

### STAGED UNIQUE DRIVE

Max Reinboth of the Doremus agency in New York of the Guardian Life, president of the Leaders Club of the company this year, does not consider his presidential duties merely nominal and honorary. The day after Thanksgiving all agents of the company received a "Maxigram" stating that a special one-day drive for business would be made on the first day of December. Every agent was asked to do his utmost on that day to submit at least one application for a \$10,000 minimum. Subsequent "Maxigrams" outlined the plans of the one-day campaign, which resulted in placing approximately \$2,000,000 of new business on the books. Maxi Gram and Millie Gram are obviously not related.

### W. H. PORTER IS DEAD

The Mutual Life of New York is flying its flags on the home offices at half-mast in memory of William H. Porter, a director of the company and a partner in the firm of J. P. Morgan & Co., who died suddenly last week of heart disease while walking with his wife in Brooklyn. Born at Middlebury, Vt., 65 years ago and educated at the Middlebury Academy, Mr. Porter came to New York when only 17 with the single-hearted purpose of some day becoming a great banker. He followed his ambition with rare perseverance and skill. As a subordinate clerk, he entered the Fifth Avenue Bank, a famous training school for bankers, and at the end of eight years had served in every department and demonstrated his great understanding and ability in each. After some years as cashier and later as vice-president of the Chase National Bank, he became vice-president and then president of the Chemical National. In 1911 he became a member of J. P. Morgan & Co., entering with Thomas W. Lamont as George W. Perkins and Edward F. Whitney withdrew from the famous banking house. Mr. Porter was also a director of the Bankers Trust, an incorporator of the New Netherlands Trust which subsequently became the Astor Trust, a director and voting trustee of the Guaranty Trust, president of the New York Clearing House in 1908-10, and was for many years treasurer and executive committee member of the New York State Chamber of Commerce. In 1911 Middlebury College bestowed the degree of Doctor of Laws upon Mr. Porter, who last year built and donated to the college a two and a half story hospital dedicated to the memory of his parents.

### FORM GENERAL AGENCY

Simeon L. Rynar, formerly of the Travelers and of the general brokerage firm of S. L. Rynar & Co. on William street, and Milton L. Bruenn, who for some time has been with the Metropolitan Life in the Yonkers district, joined forces recently and have been doing a thriving business as general agents of the Berkshire Life with offices just above Columbia University on West 125th street.

### EXTENDS LARGE LOAN

The New York Life has just placed a first mortgage loan of \$6,000,000, running for 20 years at 5 percent, on the new Statler Hotel buildings to be erected in Boston. The structures will cover the entire city block bounded by Providence street, St. James place, Arlington street and Columbus avenue, and will include a 14-story office building with 40 stores. According to the official announcement, the hotel itself will have 1,300 rooms.

### OFFICIALS WERE BANQUETED

President Herbert C. Cox and General Manager T. G. McConkey of the Canada

Life, which was recently admitted to the state and on Dec. 1 opened its new offices on William street for business, were the guests of honor at a distinctive luncheon given here at the Bankers Club this week by Hart & Eubank, "Aetna-izers" nonpareil, who invited a few insurance friends to welcome the distinguished president and general manager of the Canada Life and wish them God-speed in their latest undertaking. Before coming to New York to blazon his name across the firmament, "Jerry" Eubank was general agent for the Canada Life at Detroit.

### BOOKSTAVER TO GIVE LUNCHEON

"Joe" Bookstaver of the Travelers has sent out invitations to friends and members of his agency for a luncheon at Hotel Pennsylvania Dec. 13. The guest of honor and the principal speaker will be Dr. Charles J. Rockwell, universally recognized as a pre-eminent educator throughout the life insurance world.

### ATTRACTIVE HOUSE ORGAN

The John C. McNamara Organization here of the Guardian Life has probably the most readable, informative and successful house organ published by any general agency in the country. It is called "The Stethoscope," and it must be said that it accurately and distinctly registers the heart beats not only of the agency and the Guardian Life but of the life insurance business as a whole. It has done more than create good-will, which is often rather nebulous. It has brought in large amounts of tangible new business. Its success can be measured by the fact that 15,000 copies are sent out each month to those on its mailing list, which includes brokers, independent writers, full-time agents of other organizations doing a large surplus business and many interested policyholders.

### DEMONSTRATION FOR HUEBNER

Dr. S. S. Huebner will probably always remember the reception he got on concluding his talk on "Life Values" before last week's meeting of the fall education course of the John C. McNamara Organization. Seldom has such a sudden, impulsive and genuine demonstration been given anyone as was given him by his audience of 200 or more local underwriters, among them many of national repute. The meetings regularly begin at five o'clock in the afternoon and end at 5:45, but in this instance time flew so rapidly because of the intense interest of the speaker and his audience in his subject that it was long after six before Dr. Huebner concluded. Even then, in spite of the hour, those present insisted that Dr. Huebner go on talking and answering questions, which he willingly did until he was forced to call a halt because of hunger and fatigue.

### STAFF TOOK TRAINING COURSE

That Sisley & Brinckerhoff of the Travelers is one of the leading general agencies of the company is largely due, says Joseph B. Sisley, to the fact that every member of their field force is a graduate of the life insurance training school at New York University, having received there the knowledge and training requisite for success in any line of endeavor.

### AIDS CHAMBERS OF COMMERCE

President Walton L. Crocker of the John Hancock Mutual is a director of the United States Chamber of Commerce, and in that capacity has just finished and returned to Boston from a series of visits to various New England cities with the purpose of advising the local chambers in their many problems and stimulating their activities.



**AUSPICIOUS BEGINNING****UNITED BENEFIT LIFE STARTS**

**New Omaha Company Begins Active Operations, With \$600,000 in Applications on First Day**

The United Benefit Life of Omaha has received its license from the Nebraska department and started active operations Dec. 1, receiving applications for more than \$600,000 of insurance the first day.

It is a stock, legal reserve company with \$100,000 paid-up capital and \$50,000 surplus. Securities totaling \$125,000 have been deposited with the insurance commissioner. The authorized capital is \$300,000. Miles Schaeffer, secretary and general manager, was formerly insurance commissioner of Indiana. Other officers are: H. S. Weller, president; Dr. Neil Criss, medical director, and C. C. Criss, treasurer. The president and treasurer act in a similar capacity for the Mutual Benefit Health & Accident of Omaha.

All the stock was placed among the officers, salesmen and employees without any expense. It is the intention to operate in all the middle western states and it will issue all forms of standard policies. The United Benefit Life intends to operate as a companion company to the Mutual Benefit Health & Accident, which now has more than 250,000 policies in force and has 2,100 agencies in 32 states.

**INTERESTED IN COURT RULING**

**Northwestern Mutual Has Case Pending, Similar to One Decided for Mutual Benefit**

MILWAUKEE, Dec. 9.—The Northwestern Mutual Life is greatly interested in the recent decision of the United States Supreme Court in the case of the Mutual Benefit Life, which holds that the legal policy reserve of the company is to be listed as invested capital. The Northwestern Mutual has a case, somewhat similar to the one decided, pending in the United States district court here, applying to taxes levied in 1917 and 1918. The claim for the refund was filed by the company in 1923 and the action was started in 1925.

The Northwestern Mutual Life case, however, involves dividends as the company is seeking to exclude certain dividends under another section of the law. Action on the case has been awaiting the outcome of the Mutual Benefit Life case in the United States Supreme Court.

**HOLDING CONFERENCE OF LIFE PRESIDENTS**

(CONTINUED FROM PAGE 1)

rience of the years 1900 to 1915. Mr. Rhodes pointed out that this new table reflected the actual experience of a representative portion of the business, but he pointed out that even yet there can be said to be no general consensus of opinion regarding the wisdom of adopting the new table as a basis for computing premiums and reserves.

An interesting discussion of the development of the Associated Press and its relation to business activities was given by Kent Cooper, general manager of the Associated Press, in his talk on "A Romance of Cooperation." Mr. Cooper told of the start of the organization 33 years ago for the purpose of developing an unbiased news gathering force and of its tremendous growth to the present organization which uses approximately 80,000 individuals scattered throughout the world and 132,000 miles of telegraph and telephone wire. He further showed its relationship to all phases of business and the entire economic and social structure.

**COVERS THREE GROUPS****PLAN BIG NEW YORK MEETING**

**Agents of Northwestern Mutual Life From Entire Atlantic Seaboard Will Convene There Jan. 3-4**

MILWAUKEE, Dec. 9.—Preliminary announcements for the annual meeting of agents of the Northwestern Mutual Life for the New England, middle Atlantic and south Atlantic states, to be held in New York City Jan. 3-4, are to the effect that the business sessions will consist of a clinic at which company practices and sales methods and problems will be discussed by the speakers. Questions to be brought up for discussion at the meeting will be furnished by the agents in that territory.

Home office executives who will attend include M. J. Cleary, vice-president, who is scheduled to address the agents at the banquet the first night; Charles H. Parsons, superintendent of agencies, who will be the main speaker at the luncheon the second day, and Percy H. Evans, actuary, who will speak for the company during the clinic.

There will be other home office representatives who will be announced later. Following Mr. Evans' discussion of the application of the company's position and formal expression of beliefs as viewed by the home office, a general agent, an agent and a prominent policyholder will each present their views on the same subject, speaking from their respective viewpoints.

Advance reservations and replies indicate that the meeting this year will attract more than 500 agents along the Atlantic seaboard.

**F. J. UEHLING HAS RESIGNED**

**Severs His Connection With the North American National Life as Director and Officer**

F. J. Uehling, who was former president of the North American National Life of Omaha, whose headquarters were transferred to Nashville, Tenn., following the purchase of the company by the Caldwell interests has severed his connection with the company as officer and director. He has made no plans for the future as yet but is visiting his family at 105 E. 63rd street, New York City.

**Has Home Office Course**

The Lincoln National Life has launched upon an educational program aiming to instruct home office employees in the principles of "Life Insurance" and the application of those principles to the home office departmental work. The course has an enrollment of 104 home office employees which is in excess of 35 percent of the total clerical force. The course consists of 32 sessions held twice a week in the early evening.


The first part of the course deals with the principles of life insurance and Huebner's "Life Insurance" is used as the text. The second part of the course will cover an intensive application of these principles to the work of the various home office departments, forms and exhibits being used. The course is being conducted under the general direction of Frank L. Rowland, manager of personnel and planning, the lecture being given by officers of the company and department heads.

**Life Notes**

Roy A. Lathrop of the State Mutual agency in Minneapolis has been named a division leader in the campaign to raise funds for the Y. M. C. A.

John Davies, assistant superintendent of agencies, and C. L. Anderson, assistant secretary of the Northwestern Mutual Life, attended an agency meeting at the McGivern & McGivern agency at Hudson, Wis., last week.

# The DOORWAY to OPPORTUNITY



**NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY**  
O. J. ARNOLD, PRESIDENT  
MINNEAPOLIS, MINN.  
*"In the Land of Ten Thousand Lakes"*



**The FRIENDLY COMPANY**

**"Peace On Earth"**

Many, many years ago out on the hills of Judea, while the Shepherds were watching their flocks by night, the heavenly hosts appeared praising God and singing, "Peace on earth, good will toward men."

Today the life insurance men are of the heavenly hosts and are doing their best to help bring about a glorious, "Peace on Earth."

If you would be interested in helping in this wonderful work, it would pay you to be friendly with the

**PEOPLES LIFE INSURANCE CO.**  
"The Friendly Company"

**FRANKFORT INDIANA**

Opportunities in Indiana, Illinois, Ohio, Michigan, Tennessee, Arkansas, Iowa, California and Texas

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

Published every Friday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. **EDWARD J. WOHLGEMUTH**, President; **JOHN F. WOHLGEMUTH**, Secretary; **HOWARD J. BURRIDGE**, Gen'l Mgr.; **H. E. WRIGHT** and **NORA VINCENT PAUL**, Vice-Presidents; **WILLIAM A. SCANLON**, Southwestern Manager; **GEORGE C. ROEDING** and **O. E. SCHWARTZ**, Associate Managers.

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Entered as Second-class matter June 9, 1900, at Post Office at Chicago, Ill., Under Act March 3, 1879

Subscription Price, \$3.00 a year; in Canada, \$4.00 a year. Single Copies 15 cents  
In Combination with The National Underwriter (Fire and Casualty) \$5.50 a year. Canada \$7.50

### Agents' Turnover Constitutes Serious Problem

WHILE life insurance executives recognize the big turnover in agents every year, they undoubtedly were startled by the statement of **JOHN M. HOLCOMBE**, manager of the LIFE INSURANCE SALES RESEARCH BUREAU, in a recent talk, when he said that of the 200,000 life agents in the field each year about 60,000 leave the business annually. The very fact that this impressive battalion of men quit life insurance work is a reflection on it in a sense and the tendency is to discourage others from entering the field. One of the big problems of life insurance companies is to reduce policyholders' lapses. Those who are interested in the conservation of business give this subject earnest attention, endeavoring to ascertain why business lapses and what means can be taken to reduce the lapse ratio. Life insurance companies are, therefore, confronted with two lapse factors, of policyholders and of agents. Perhaps in a way the two run together. We mean by that that the company which has the highest agency turnover is the one that doubtless has the highest lapse ratio from the policyholders' standpoint. It is a truism to remark that the seasoned agency force is the most compact and trustworthy. It is the most permanent. When a company arrives at a point where it can make a more careful selection of its salesmen it will

find that the results are more satisfactory.

Undoubtedly one of the causes of agency turnover is the lack of seriousness on the part of the men themselves when they enter the work. They, perhaps, do not look upon life insurance soliciting as a life work, but enter the business as a makeshift until they find something that is more to their liking. While they are engaged in life insurance work they sell on the hit or miss plan. They seek to get as many people insured as they can and probably resort to high pressure methods or at least do not take the care to tie the policyholder closely to the company. A roving class of agents naturally will cause a big turnover and a high lapse ratio.

Then after even serious minded men are secured for life insurance work, agency managers or those who have supervision over them do not stick to them until they are well grounded in their occupation. Companies are giving more and more attention to proper schooling. They realize that it pays to start fewer men and give them more attention. Once promising material is secured it will pay an agency officer to devote his attention to the new agent until he is able to master himself and guide his own activities.

### Fresh Ideas Enliven Agency Meetings

LIFE insurance men have noticed the departure inaugurated in the east, especially in New York and Philadelphia, where general agents arrange for a series of meetings and secure men from other companies to give addresses. These series of agency meetings are enlivened therefore by outside minds. Men in an agency get accustomed to their own general agent and those assisting him. There is an advantage in bringing in men from the outside who have accomplished something and who are able to get a message across. There is not much benefit in securing a speaker who is unable to teach. Some men can accomplish big things. They have great powers and capacity. They are large writers or they are successful managers. Yet it is most difficult for some of these men to tell the story to others in an interesting and gripping way.

The recent innovation in the eastern cities is to secure general agents or leading producers of other companies who

are able to talk in a manner that will hold the attention of the men. Salesmen in an agency read and hear about the big fellows in other offices. When they come to give talks they appreciate that these men have no miraculous means of writing business. When their characteristics are analyzed it will be found that basically they have a great love for humankind. They are interested in people with whom they come in contact. They have the faculty of sounding the needs of men and then in a simple way applying life insurance to them. They have the knack of telling in language that the prospect can understand the life insurance story. Their contacts with the outside bring them in close relationship. These men possess no tricks of legerdemain to secure signatures. They do have the faculty of talking to a man along lines in which he is very much interested. There is no trick in selling life insurance if an agent can find out where life insurance will have its greatest appeal.

### PERSONAL GLIMPSES OF LIFE UNDERWRITERS

**Jacques Fournier**, formerly star first baseman of the Brooklyn Nationals and a demon swatter, but slightly behind spangles for the last time, having decided to devote his future life to the production of life insurance for the Missouri State Life. He made this decision after the national race for 1926 had been run. That Jacques knows how to hit home runs with a rate book as well as with a bat is indicated by his average for October and November. In policyholders month, October, he produced \$288,000 in written business and came right back in November with \$181,000, making his total for the two months \$469,000. Missouri State Life officials are confident that Mr. Fournier will pay for upwards of \$1,250,000 a year and no one at the home office would be surprised if the close of his first year finds double that amount to his credit on the company's books.

In the death of **Charles A. Reum**, head of the accounting division, the Missouri State Life lost one of its most faithful and efficient workers. Although but 38 years of age, Mr. Reum in point of service was one of the oldest employees of the company, joining its organization in 1909.

Announcement has been made of the marriage on Dec. 1 in Kansas City of **Ira B. Mapes** of Mapes & Myers, general agents for the Phoenix Mutual Life in that city, to Mrs. Addie Owens.

**John R. Dumont**, Nebraska insurance commissioner, was knocked down and badly beaten in his office last week by **M. F. O'Sullivan**, a well known insurance man of Columbus, Neb. No men were in the office and one of the women clerks who rushed in and tried to pull O'Sullivan off his prostrate foe was struck on the jaw and knocked down. Complaints charging felonious assault were later filed and Mr. O'Sullivan was released on bail.

The controversy arose over the commissioner's refusal to renew Mr. O'Sullivan's license. He had represented the World Accident, Guaranty Fund Life and the Northwestern Life of Omaha. Each of the men says the other called him a liar. Mr. Dumont, after being downed, sought to protect his face and head from the rain of blows, but came out with a cut from temple to chin, a badly swollen ear and other bruises about his head.

He says charges had been filed against O'Sullivan, which caused the holding up of the license but has not revealed their nature.

**Walter E. Webb**, vice-president and agency manager of the National Life, U. S. A., left last Saturday for a two weeks' agency trip through Alabama and Tennessee.

**Charles W. Gold**, vice-president and treasurer of the Jefferson Standard Life of Greensboro, N. C., was in Chicago the latter part of last week attending the international convention of Kiwanis Clubs. Mr. Gold is a trustee of Kiwanis International and an enthusiastic worker in the movement.

**Ben W. Chiswell**, vice-president of the Peoples Life of Washington, D. C., died recently at his home following a long illness. He was one of the founders of the Peoples Life and for many years he has been a regular attendant at the meetings of the Industrial Insurers Conference, in which he took an active part.

**Gerard S. Nollen**, president of the Bankers Life of Iowa, has been selected by the nominating committee as next year's president of the Greater Des Moines committee. He has for years devoted a large share of his time to civic and philanthropic work of similar nature. At this week's meeting of the

committee, members will celebrate their 20th anniversary, honoring four charter members. The list includes **F. M. Hubbell**, founder of the Equitable of Iowa, and his son, **F. C. Hubbell**, vice-president of the company.

**Leon Soper**, who still carries the title of sales promotion manager of the Phoenix Mutual Life, is now devoting more time to actual sales direction and passing much of his well known direct mail and sales promotion work along to his associates.

**Ira B. Hyde**, of Princeton, Mo., the father of **Arthur M. Hyde**, president of the Sentinel Life of Kansas City, and **Ben C. Hyde**, insurance commissioner of Missouri, died at his home, on Dec. 6, following an illness of several months. Mr. Hyde was 89 years old, and was one of the oldest retired lawyers in the state. He was one of the finest and most respected lawyers in the state when he was in his prime, and was an outstanding Republican leader in his section of the state. He was elected to Congress in 1872, at the same time that the late Joe Cannon entered the House. Up until the last four years, Mr. Hyde was active in the law firm which he founded more than 50 years ago.

With two governors and 400 business men present in addition to the home office personnel, **Julian Price**, president of the Jefferson Standard Life, of Greensboro, N. C., Thursday night of last week celebrated his 59th birth anniversary. The event was sponsored by the home office force in connection with their annual frolic at the Jefferson's country club house, near the city. At the same time the company took occasion to honor its Charlotte agency for having led all other agencies in the production of new business during November, the total being \$1,630,000.

Gov. A. W. McLean, of North Carolina, had been invited and he brought along Gov. Thomas G. McLeod, of South Carolina, who had been his guest in Raleigh for the day. The two chief executives made addresses, as did A. L. Brooks, the company's legal advisor, J. E. Latham, Greensboro capitalist and Jefferson Standard director, served as toastmaster at the banquet. All paid tribute to Mr. Price as a man and as head of the company.

After the addresses and feast the home office personnel staged their annual party in which costumes becoming "kids" of nine years predominated. Mr. Price was presented with a tiny cake bearing nine candles, the other 50 years having been forgotten by his co-workers.

**Leon F. Blanchard**, identified for the past 47 years with the Prudential in an advisory capacity, died suddenly this week of a heart attack at his home in Newark as he was sitting talking with members of his family. He was in his 75th year and had been in failing health for some months, although in the few weeks preceding his sudden death he had seemed to be improving. Mr. Blanchard was a son of the late Noah F. Blanchard, a founder of the Prudential in 1875 and president of the company from 1879 to 1881. His father sent him to Philadelphia in 1879 to open the company's branch office there. In 1887 he went to Richmond, Va., to establish the industrial department of the Life Insurance Company of Virginia. On his return to Newark his father turned over most of his interests to him and his three brothers, **Frederick C. of Pasadena**, **Milton Elvin of East Orange** and **William W., also of East Orange**, who was talking with Mr. Blanchard when he was stricken. Outside of business Mr. Blanchard was interested in painting and cabinet making. The oil paintings on the walls of his library were all done with his own brush.



## LIFE AGENCY CHANGES

## BEERS TAKES ST. LOUIS POST

Becomes General Agent for Mutual Benefit Life to Succeed George E. Black

William H. Beers has been appointed general agent of the Mutual Benefit Life at St. Louis, Mo., to fill the vacancy caused by the death last month of George E. Black. Mr. Beers has represented the Mutual Benefit for 20 years in the Buffalo agency, having achieved a wide reputation for his work in Rochester, both as a personal producer and as an agency manager. He is not only



WILLIAM H. BEERS

a successful underwriter, but also the author of "Beers' Book" and the contributor of many articles to life insurance publications.

For several years Mr. Beers lectured at the Carnegie Tech school. He is credited with having sold and paid for more than \$1,000,000 of insurance last year. He has four sons, one of whom is connected with the Mutual Benefit Life at Syracuse, N. Y.

## Merchants Life Changes

Agency Vice-President F. A. Ferguson of the Merchants Life of Des Moines, announces that H. E. Moen of Minneapolis has been made agency manager for Minnesota and North Dakota, with headquarters at the Minneapolis branch office. Mr. Moen is known as a very successful personal producer and organizer. A. N. Lynne becomes assistant manager for Minnesota and North Dakota. Carl J. Fust continues as agency manager for Minnesota only, with headquarters in the Minneapolis branch office.

## J. B. Miles

Appointment of J. B. Miles as home office supervisor for Kentucky is announced by the Atlantic Life. Mr. Miles will be responsible for production of business in Kentucky and will have his headquarters at Louisville. He was previously with the National Life of Vermont, holding a similar position with that company at Louisville.

## Paul Stewart

The Connecticut General Life has appointed Paul Stewart general agent at Omaha, Neb. Mr. Stewart got his first business experience in a country bank, rising from runner to assistant cashier.

Nine years ago he turned to insurance and joined the Travelers. Much of his time and effort during the following years was spent in the field, developing and working new territory in Omaha, Cedar Rapids and St. Louis. Mr. Stewart

## Crowded Out

PROGRESS has crowded us out of our old Illinois State offices.

The steady increase of business in Illinois has made it necessary to again move the Peoria headquarters of The Lincoln National Life Insurance Company.

The new commodious quarters are on the 10th floor of the Central National Bank Building. These offices have been arranged for properly and promptly caring for the interests of Illinois policyholders and agents.

There are several opportunities yet open in Illinois for those who desire to

LINK UP WITH THE LINCOLN

ADDRESS EITHER

R. C. LOWES, *State Manager*  
10th Floor Central National Bank Building  
PEORIA, ILLINOIS

OR

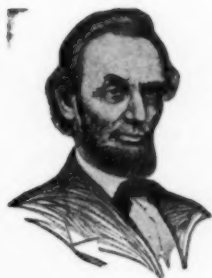
*The*

**Lincoln National Life Insurance Company**

*"Its Name Indicates Its Character"*

Lincoln Life Building Fort Wayne, Ind.

*More Than \$450,000,000 In Force*



## ROYAL UNION LIFE INSURANCE COMPANY

Des Moines, Iowa

*Offers an unexcelled line of policy contracts.  
Our juvenile policies, written on children as  
young as one day old, go in full benefit auto-  
matically at age 5 without re-examination.  
Our special low rate policies to business and  
professional men are fast sellers.  
We write women on equal basis with men.  
Splendid agency openings are now available.  
Write William Koch, Vice President and  
Field Manager.*

## ROYAL UNION LIFE INSURANCE COMPANY

Des Moines, Iowa

A. C. Tucker, President

### TWO WONDERFUL OPPORTUNITIES IN CALIFORNIA

#### WHERE DREAMS OF SUCCESS IN LIFE UNDERWRITING COME TRUE

Prominent Western Company is seeking two General Agents to establish and develop metropolitan general agencies—one in LOS ANGELES and one in SAN FRANCISCO. Only men of character and successful records of past experience considered. Attractive proposition.

For Full information address  
W. H. SAVAGE, Vice-President

## GREAT REPUBLIC LIFE INSURANCE COMPANY

of LOS ANGELES, CAL:

### A Loyal, Efficient Agency Corps

Back of the success of a life insurance company is a force of enthusiastic men and women in the field, following a vocation they like and serving a company in which they have confidence and pride. Their value to their respective communities and their own individual success stand upon the service their company renders to its constituent members—the proving test.

The Mutual Life of New York, the first American legal reserve mutual life insurance company, has for eighty-three years met the proving test of service to its members. Today, this Company's high prestige accorded to public service and achievement is upborne and carried on by loyal, efficient and contented field workers.

They have unsurpassed contracts and facilities to offer to their public—all standard forms of insurance (ages 10 to 70) and annuities, both for men and for women; Disability and Double Indemnity Benefits; policy loans in branch agencies, and all other features of service the Company deems justified.

They take a pride in building greatly upon a great past—a loyal, efficient agency corps successful for the Company and for themselves.

Those who contemplate life insurance field work as a vocation are invited to write to

**The Mutual Life Insurance Co.**  
of New York  
34 NASSAU STREET  
NEW YORK, N. Y.

art's appointment marks the entrance of the Connecticut General in Nebraska.

#### Penn Mutual Appointments

The general agency of Dan H. Holton of the Penn Mutual Life at Huntington, W. Va., has been strengthened by the appointment of R. B. Parrish of Bluefield, W. Va., as district agent in southern West Virginia. Mr. Parrish has been in the banking business since 1893. He is vice-president of the Bluefield National Bank and has been doing part time life insurance work. Beginning Jan. 1, he will give his entire time to life insurance.

The Penn Mutual has appointed Hugh T. Shockley general agent at Spartansburg, S. C., succeeding Victor S. Hubbert. Mr. Shockley has been connected with the Hastock School for Boys, which has been discontinued. He is a native of South Carolina.

#### C. A. Moody

C. A. Moody, veteran of two wars and three expeditions, has been granted a year's leave of absence from the office of the secretary of state, Columbus, O., to become district manager of the North American Life in Champaign county, O. He will have his office in Urbana.

#### R. K. Dunn

R. K. Dunn has been appointed agency supervisor for Arkansas by the National Savings Life. Mr. Dunn is a native of Arkansas and has had wide

experience in all lines of insurance. He will devote most of his time to the new dollar monthly semi-industrial policy of the National Savings Life and will assist in building up the field forces of the National Savings & Loan Association.

#### Joseph Duncan

Roy Denny, manager of the southern California branch office of the Missouri State Life, has announced the appointment of Joseph Duncan as district agency supervisor with headquarters at Long Beach. Mr. Duncan was for a number of years manager of the Wichita, Kan., branch office of the company.

#### J. L. Brader

James L. ("Jimmie") Brader, former football coach at the University of Wisconsin and line coach at Harvard University the past season, has joined the Bankers Life of Iowa, working out of the Madison, Wis., agency. While at Harvard Mr. Brader enrolled in several courses on life insurance preparing for his work. He was employed by the Bankers Life for several weeks last summer.

#### Life Agency Notes

George W. Johnston, secretary of the junior division of the Omaha Chamber of Commerce, has resigned to become affiliated with the New England Mutual Life.

George A. Smith, well known in Indianapolis life insurance circles, has made a connection with the Mutual Life of New York's Indianapolis office. He was at one time associate manager of the Guardian Life for Indiana.

## EASTERN STATES ACTIVITIES

### MEET ECONOMIC COMPETITOR

Bragg Says Chief Obstacles in Agent's Way Are Various Alluring Uses for His Money

PHILADELPHIA, Dec. 8.—In interviewing prospective buyers of life insurance, the agent will do well to remember the economic competitors of his business, and forget the professional competition, James Elton Bragg, vice-president of the Manhattan Life, told the gathering of agents at Jack Berlet's sales talk at the Guardian Life agency here.

"The average man is being offered everything imaginable by merchants on an easy credit basis, national advertisers are cramming satisfaction down his throat, and the life underwriter must keep in mind this competition of tangible satisfaction with the individual, rather than the fear of inter-agency or inter-agent competition," Mr. Bragg said. "Then, too, this average man is usually a buyer of life insurance on impulse, even the well-insured having a group of unrelated contracts rather than a sound and systemized and interlocked series of programed operative funds."

#### Skilled Service Needed

"Herein lies the opportunity for underwriters to show some real service, through the budgetting of this life fund from all points of view. It will take skilled service, but it is this skilled service that will build a clientele for beginners and hold a clientele for the experienced salesman."

"Take the hottest of your prospects first, probably someone you have already had an inside hint on in the matter of needs, as the first sale will give you a greater appreciation of the fact that 'nothing succeeds like success.'"

#### Detroit Life Shows Increase

The Detroit Life gives out figures for production of new business in Michigan, showing a total of written business of \$22,430,000 for the first 11 months of 1926. November production was \$1,766,555, compared with \$1,404,000 for November, 1925, an increase of \$362,555.

### AGENTS FIGHT THE "TWISTER"

Want Clauses Inserted in All Application Blanks for the Protection of the Policyholder

INDIANAPOLIS, Dec. 8.—The resolution which the Indianapolis Association of Life Underwriters passed to eliminate the practice of "twisting" has been presented to Commissioner Wyszong for his consideration. This resolution branded the practice of "twisting" as a misrepresentation and therefore, an illegal practice. It also defined the various kinds of "twisting." The resolution contained two clauses which the agents wish to have inserted into the application blanks of all life insurance companies operating in the state. The clauses read:

"Is life insurance applied for to replace life insurance in another company? State company."

"Do you understand that such a change can be made only at your personal loss and inconvenience, and should be made on the written advice of officials of both companies?"

The resolution was given to Mr. Wyszong by Fred Dickerson, chairman of the association's legislative committee. Mr. Wyszong stated that no action would be taken on the matter for a few days.

### JAMES C. MURRAY ENDORSED

Insurance Federation of Pennsylvania Offers Its Recommendations to Governor-elect John S. Fisher

PHILADELPHIA, Dec. 8.—James C. Murray of Edgewood, Pa., a suburb of Pittsburgh, has been endorsed by a committee of the Insurance Federation of Pennsylvania, headed by Thomas B. Donaldson, former commissioner, as a candidate for insurance commissioner in the new cabinet now in formation by Governor-elect John S. Fisher. Mr. Murray entered the insurance business 15 years ago as an agent for the Pittsburgh Casualty, and after the company merged with the National Life of Chicago Mr. Murray went with the General Accident as agent and was manager for



western Pennsylvania in 1914. He has been active as a producer for the Travelers, Indemnity of North America, Fidelity & Casualty, John Hancock Mutual Life and other companies. Two of Mr. Murray's brothers are in the life insurance business. Mr. Murray is a past president of the federation and the main factor in organizing, in conjunction with the insurance department in 1921 and 1922, the system of insurance advisory boards.

In a letter to the governor-elect, Thomas B. Donaldson as chairman of the committee explains that the greatest need of the department at this time is a practical and well-known insurance man as commissioner, as the majority of matters brought to the department concern practical insurance issues, which are unintelligible to the average superintendent or commissioner.

#### Other Recommendations Made

The committee made further recommendations to the governor-elect on the conduct of the department, seeking a return to the former system of cooperation that was in practice during the administration of Thomas B. Donaldson at the same time that the governor-elect was banking commissioner under Governor Sproul. "We suggest that the structure of the department as of 1919 be restored, with amplifications where needed, and in addition we suggest that the department have two deputies, a first deputy to give advice to the commissioner, and a second deputy who shall be an attorney, not necessarily a full time man, but a lawyer of such calibre as would insure real aid to the department in legal phases and appearances in court when necessary," the committee writes.

#### Have Ideas on Finance

The department's financial status, and the revenues from insurance taxes and fees comes in for some suggestions and criticism by the committee. "The insur-

ance department has always produced a tremendous revenue for the state," the committee says. "The appropriations committee always sought to pare down the department's appropriations lower than the department fees amounted to, ignoring the millions accruing from taxation. In the first two years of the present administration, 1923-25, the department was practically annihilated on the plea of economy. In the 1925 session a bill was enacted appropriating \$175,000 annually to the department."

#### Held School in Wilkes-Barre

Under the joint auspices of the Connecticut General Life and the Shaw & Coughlin agency a training school in life insurance salesmanship was held in Wilkes-Barre recently attended by 23 students. L. B. Hendershot, educational director, conducted the school, assisted by J. L. Wright and A. I. Moriarity of the agency department.

Special talks were given by Mr. King, secretary of the group department, and by Mr. Goodwin, assistant secretary of the accident department. Dr. Sykes, medical director, spoke on cooperation between the medical department and the field and showed a new motion picture film on this subject. Miss Barrett, advertising manager, spoke on circularizing as a system of work. At a banquet held at the close, Vice-President Bulkley presented certificates to all who had passed the final examinations. H. S. Coughlin, general agent at Wilkes-Barre, was toastmaster.

#### Swain Is Deputy Commissioner

Commissioner Clarence C. Wysong of Indiana has appointed Zell C. Swain of Middletown, chief deputy commissioner succeeding Stuart Coulter, who resigned when Thomas S. McMurray, Jr., resigned as commissioner. Mr. Swain is an attorney and has served four sessions in the state senate.

## IN THE MISSISSIPPI VALLEY

### COMPANY'S APPEAL IS DENIED

#### Iowa Supreme Court Refuses to Review Verdict Giving Punitive Damages on Ground of Fraud

The Iowa supreme court last week dismissed the appeal of the Pacific Mutual Life and W. W. Williams in the case brought against them by Ada Dayton, a widow at Cedar Rapids. Mrs. Dayton sued the Pacific Mutual and its agent, Mr. Williams, in district court, alleging she was defrauded of \$4,000 for a settlement on her husband's life insurance. Her action was based not on the policy, but on a fraud count. She asked for punitive damages in addition to the face of the policy and received a verdict for \$4,000 actual damages, \$3,000 punitive damages and \$376 interest. The supreme court denied the defendants' appeal on the grounds that they failed to serve and file their abstract of record as required by law. The case is said to be the first of its kind in the United States.

#### Kansas Department Receipts Heavy

The 1926 collections of the Kansas department are larger than in any previous year. They are expected to exceed \$1,125,000, about \$10,000 more than in 1925. The greater part of the increase comes from the premium taxes on life and accident and health insurance. There has been some increase in fire insurance business, but the life, accident and health lines have grown the fastest. Even with the large collections, Superintendent Baker does not intend to ask the legislature for additional funds for the department. His budget asks for appropriations of \$48,500 a year, the same as for the past two years. Mr. Baker is asking for an increase in

salary for the department actuary, but this can be cared for from the contingent account.

#### Final Code Meeting Called

Superintendent W. R. Baker, chairman of the Kansas insurance code commission, has called the final meeting of the commission for Dec. 13. At this meeting the representatives of all the insurance companies, members of the legislature and the policyholders have been invited to offer whatever suggestions, criticisms or demands that they may care to present for consideration of the commission before the new code goes before the legislature. The legislature meets Jan. 11 and as soon as it is organized the code will be offered to the house and senate committees. The senate committee is expected to be the same as two years ago while a new committee must be named in the house.

#### Starts Night Sales School

Russell G. McBride, general agent in Des Moines for the Massachusetts Mutual Life, will open a night school of life insurance salesmanship, starting Jan. 3 and running through the winter months. Sessions will be held weekly, on Monday nights, with no cost to the student. Mr. McBride will be in charge of the instruction, assisted by home office men.

#### Showed Big Gain

The Patterson agency of the Equitable Life of New York in Chicago paid for \$1,268,298 in November, an increase over November of 1925 of \$260,000 or 26 percent. This is the 20th \$1,000,000 month in succession for this agency. This brings the agency's business for the year to \$13,711,999, an increase over the first 11 months of 1925 of \$2,494,285 or 22 percent. The amount paid for



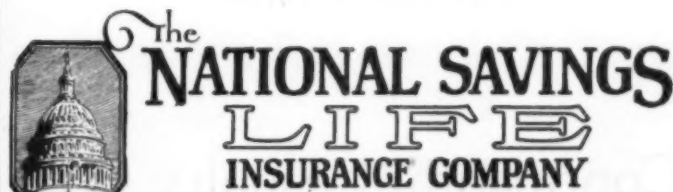
## Agents Wanted

THERE are thousands of advertisements that start off like this one. But there are few which have to offer the honest and progressive agent what the National Savings Life offers.

The company operates in Kansas, Missouri, Arkansas, Illinois and Texas and issues policies designed to cover every specific need of the insured.

Our Direct by Mail Assistance enables our agents to shoot straight at the mark. It breaks down the lines of defense and enables him to start at 90 instead of zero; he has only 10 steps to take, instead of 100 or 110; all of these steps are sales steps; none are missionary; none are explanatory.

Write for full particulars. Your correspondence will be held strictly confidential.



HOME OFFICE  
WICHITA, KANSAS

LITTLE ROCK, ARK.  
ST. LOUIS, MO.

Branch Offices  
ST. JOSEPH, MO.  
DALLAS, TEXAS



#### OPENINGS AT

Eureka, Calif.  
Fresno, Calif.  
Santa Barbara, Calif.  
South Bend, Ind.  
Springfield, Ind.  
Terre Haute, Ind.  
Burlington, Iowa  
Pueblo, Colo.  
Grand Rapids, Mich.  
Cincinnati, Ohio  
Columbus, Ohio  
Springfield, Ohio  
Enid, Okla.  
Amarillo, Texas  
El Paso, Texas  
Cheyenne, Wyo.  
Richmond, Va.  
Roanoke, Va.  
Wenatchee, Wash.

## "Underwriters—Notice"

"POOR RICHARD" said—  
"All that glitters is not gold."

Promises and Percentages may be made to "glitter"—BUT

The real gold that an Agency contract puts into your pants pocket is the real measure of that contract.

DURING RECENT YEARS  
THE RENEWAL INCOME  
PAID MINNESOTA MUTUAL  
AGENTS AVERAGED APPROXIMATELY—

1. For Agencies less than five years old \$3,500.
2. For Agencies up to seven years old \$6,000.
3. For Agencies over ten years old \$25,000.

REMEMBER THAT'S JUST  
RENEWALS!!!!

These men know how real gold glitters—and they know it paid them to get and keep an Agency contract that is right.

For one like it write

## THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

ST. PAUL, MINNESOTA

Now a \$130,000,000 company



*And now!*

the last word in up to date accident insurance.

The Motorists Complete Accident Policy

Form 237

**Continental Casualty Co.**

H. G. B. ALEXANDER, President  
CHICAGO, ILLINOIS

## 23 MICHIGAN YEARS

A  
LEGAL RESERVE  
COMPANY

Full Life Line  
Double Indemnity  
Income Disability  
"Excess Interest"  
Juvenile Policies  
Non-Medical Policies  
Low Rates  
Non-Participating

"Bill" Olive has cultivated one small territory in Michigan for 23 years—and Olive is a "successful" man.

The Franklin has equally good territory in Michigan for new men; and a Home Office representative now in Michigan has already made several connections.

Write to Jos. W. Jones, Vice-President in Charge of Agencies.

## Life Insurance for a Greater Number



The scope of National Life service is evidenced by the number of applications received from the uninsured, which average about 50% of the total. It is further evidenced by the fact that under 46% of the policies becoming claims, the insured carried no other insurance.

A National Life Contract offers the opportunity for increased earnings through selling more insurance to more people. Top contracts available in choice territory.

**National Life Association - Des Moines, Iowa**

**Eureka-Maryland Assurance Co.**  
OF BALTIMORE, MD.

Incorporated Under the Laws of Maryland, 1882

WE ISSUE

Standard Ordinary and Industrial Policies

J. C. MAGINNIS, President  
J. BARRY MAHOOL, Vice-President

J. N. WARFIELD, Jr., Secretary-Treasurer  
DR. J. H. IGLEHART, Medical Director

thus far is almost \$1,500,000 more than the entire business for 1925. The leader in the Patterson agency in November was Blake H. Wilson, assistant agency manager, who led the agency and all of Chicago with a total paid business of \$130,000 in addition to managing a unit of the agency.

### Agency School at Duluth

A school of instruction is in progress in the agency of A. B. Elvgren, district manager of Mutual Life of New York in Duluth, Minn., the instructor being M. L. Snyder, who is instructor of agents for the Minneapolis and St. Paul agencies. The school is being attended by Mr. Elvgren's field men, some of whom are newcomers and others in Mr. Peet's agency, and will continue during the week. During Mr. Snyder's first day of instruction he recommends to the agents the Diamond Life Bulletin of THE NATIONAL UNDERWRITER as the leading publication for instruction of agents.

District Manager Elvgren is closing an exceptional fine year and is planning for a very large increase in business and agency force in 1927.

### Divided Clark Agency's Territory

The territory of the H. A. Clark general agency at Princeton, Ill., the Northwestern Mutual Life of Milwaukee, has been divided between two other general agencies of the company in that state. The agency, which was established by the late H. A. Clark has been operated under the direction of Mr. Clark's son,

Roger A. Clark, in the position of cashier, since his father's death a few months ago. Three of the nine counties under the jurisdiction of the Clark agency have been given to the R. O. Becker general agency of Peoria, and the other six to the J. M. Cowan general agency of Aurora.

### Des Moines L. & A. Nebraska Rally

Fifteen members of the field staff of the Des Moines Life & Annuity were guests last week of J. K. Wilson of Lincoln, Neb., state manager for the past 15 years, at an agency meeting. W. E. Bilheimer of St. Louis was the principal speaker. H. B. Bossard, agency director, and Secretary E. L. Shinnick from the home office at Des Moines were in attendance. Mr. Bossard discussed agency methods and approaches, and Mr. Shinnick explained the financial side of insurance policies. Mr. Wilson is planning for an active campaign for business in the state during the year, with a larger force of field men and agency managers at North Platte, Grand Island, Omaha and Scottsbluff.

### Hansen in Milwaukee

T. Louis Hansen, vice-president of the Guardian Life of New York was a guest of Hillis C. Rhyen, manager of the Milwaukee office of the company, last week. Mr. Rhyen's agency finished sixth in the percentage of the quota during the special campaign in October in honor of President Heye.

## IN THE SOUTH AND SOUTHWEST

### TENNESSEE AGENTS IN RALLY

Met at Nashville to Celebrate Progress Made—Governor was a Speaker

NASHVILLE, Dec. 8.—The Equitable Life of New York as a reward to its agents of middle and east Tennessee for commendable work in the last year, entertained 30 of the leaders at a two-day convention in this city last week. Governor Peay welcomed the visitors on behalf of the state, and Reau E. Folk of Nashville welcomed them on behalf of the Nashville office. Greetings from the home office of the company were extended by W. H. Rathernel, who made a special trip to Nashville to attend the meeting. Mr. Rathernel lauded the work of the agents and said that the present year would prove the greatest in the history of the organization. The company has already passed the \$4,000,000,000 mark as applies to insurance in force, he said. Charles C. Hazell, agency manager in North Carolina, made a short address.

### HAD ANNUAL AGENCY MEETING

United Fidelity Life Men Gathered at Dallas For Conference Last Week

DALLAS, TEX., Dec. 8.—The annual agency meeting of the United Fidelity Life of Dallas was held Friday and Saturday with about 100 agents from all sections of the state attending. The agents who came to the convention were the crack producers of the company during the year. The first day of the convention was given over to consideration of agency problems in what might be termed an experience meeting. How sales were made, prospects approached, objections met and other things which successful agents encountered and overcame during the year formed the basis of the discussion.

In the evening there was a banquet at which R. L. Thornton, president of the Mercantile Bank and former insurance commissioner, was the chief speaker. Mr. Thornton discussed the

life insurance business in relation to other business lines and the life insurance agents in relation to the development of his community. J. J. Taylor, newspaper man, also made an address at the banquet.

During the convention the officers of the company discussed company affairs and plans with the agents. It was learned the amount of business put on the books during the present year was more than any other similar period and was very gratifying to the company. Officials also discussed plans for the company during the coming year. D. E. Waggoner and J. H. Painter were among the company officials making addresses during the convention. The convention this year was also in the nature of a birthday celebration of the company. It was the sixth anniversary of the concern.

### Court Upheld Company View

Life insurance agents in Texas are not authorized to bind their companies with specific contracts without the examination and approval of the companies, the court of civil appeals has just held, affirming the judgment of the district court in Kaufman county in the case of P. B. Jones vs. Great Southern Life.

Mrs. Vera P. Jones, late wife of the plaintiff, had given J. H. Gage a note for \$23 for a premium on a policy for \$2,000. Following her death Mr. Jones sued the Great Southern for the amount of the policy. The company declared Gage had no right to make a contract with Mrs. Jones without the knowledge of or examination by the company's officials. The court upheld the contention of the company.

### Give Dinner for Lowrey

Representatives of the Mutual Life in Louisville last week gave a dinner in honor of Perrin H. Lowrey, who has taken over the management of the Louisville office of the company, succeeding A. P. Ballou. Mr. Ballou is promoted to the management of the Detroit office. Several out-of-town representatives, including Thomas C. Bell, assistant superintendent from the home office, were present.



## PACIFIC COAST AND MOUNTAIN FIELD

### KAHN SOLE GENERAL AGENT

Prominent Salt Lake City Life Underwriter Succeeds Firm of Kahn & Mayer for Aetna Life

The firm of Kahn & Mayer, general agents for the Aetna Life in Salt Lake City, Utah, has been dissolved and E. C. Kahn, who founded the agency, will



E. C. KAHN

again become its sole owner. Mr. Mayer has left for the Pacific Coast. He is now in San Francisco, but it is understood that he will locate in Los Angeles, where he will enter the insurance

business. Mr. Kahn has long been prominent in life insurance and civic circles of his city. He is a former president of the Utah Life Underwriters' Association.

### New York Life Wins Utah Case

The Utah supreme court has upheld the clause in the policy of the New York Life which stipulates that the insurance applied for shall not take effect if the applicant has been compelled to consult a physician before its delivery. The company declined to pay a claim that was made on a policy in the case of a man who died from an illness originating before the delivery of the policy. The man, a resident of American Fork, in Utah county, was removed to a Salt Lake City hospital three days before the agent received the policy. A friend called at the home of the agent and paid the premium and received the policy as soon as it was placed in the agent's hands and before the man died. The supreme court affirmed the decision of the district court which denied the claim of the widow.

### Ferguson Has Second Agency

Will O. Ferguson of Evansville, Ind., who recently went to Los Angeles to become general agent for the Penn Mutual, is starting a new agency of his own, which will be the second agency in Los Angeles for the Penn Mutual. The impression was given in a former issue that Mr. Ferguson was to have charge of all southern California. J. F. Van Slooten has had a very successful general agency in Los Angeles for the Penn Mutual for many years, which will of course continue its activities as heretofore. The company also has a general agency at San Diego, which is entirely independent of the Los Angeles offices.

## IN THE ACCIDENT AND HEALTH FIELD

### WINTER MEETING SCHEDULED

Health & Accident Underwriters Conference Will Hold Convention in Chicago, March 15-16

The mid-winter meeting of the Health & Accident Underwriters Conference has been scheduled for March 15-16, at the Palmer House, Chicago. Harold R. Gordon, executive secretary, states that further announcement concerning hotel rates and program for the meeting will follow soon. The meeting was originally scheduled to be held in Springfield, Ill., but because of the fact that the Illinois legislature will be in session this winter, it was suggested by Dr. J. R. Neal on behalf of the Springfield companies, that it might be desirable to defer meeting at Springfield until some future date, as there will probably be a scarcity of hotel accommodations in Springfield at that time.

### Sues to Recover Stock

Mrs. Pearl T. Johnson, widow of Walter A. Johnson, founder of the Missouri Insurance Company, has filed suit in the United States district court in St. Louis to recover 900 shares of stock in the company willed to her by her husband, which she sold for \$283,000. She claims the market value of the stock is \$1,000,000.

The petition is directed against her brother, Claude H. Tinsley, vice-president of the company; Joseph A. Walker, president, and Thomas O. West, vice-president. She asks that the sale of her stock be set aside and that new stock certificates be issued to her for the 900 shares, and she will pay back to the purchasers the \$283,000 received for her stock.

Mrs. Johnson alleges that her brother, Walker and West through false statements induced her to surrender the stock.

She bases the \$1,000,000 valuation on the steady growth of the company, which has been paying dividends as high as 26 percent.

### Names Iowa Manager

Loren E. Harper has been appointed state manager for the accident and health department of the Mutual Life of Illinois for Iowa, with headquarters at Des Moines. Mr. Harper has had many years of experience in that field, representing the Travelers.

### National L. & A. Promotions

A. B. Venable, former manager at Kansas City, Mo., for the National Life & Accident, has been promoted to supervisor in the western territory. Manager W. E. Biddle, formerly of Tulsa, Okla., takes charge of the Kansas City district.

Manager F. P. Robinson, formerly at Texarkana, has been transferred to Tulsa, and G. T. Wingate, who has for a long period been a superintendent in the New Orleans No. 2 district, has been promoted to manager in charge of the Texarkana district.

George Halperin of Kansas City, Mo., and Wesley Stone of Bessemer, Ala., have been promoted to superintendencies in their respective districts.

### Raise Casualty Quota

NASHVILLE, TENN., Dec. 7.—A casualty debit of \$100,000 for next year has been set as a goal for the National Life & Accident by T. Leigh Thompson, vice-president and general manager of the casualty department. Mr. Thompson announced that men of the company with casualty debits of less than \$50 will be expected to bring them up to that figure before the year closes in 1927; that agents with casualty debits of more than that sum will be expected to bring them up to \$75 and men with casualty debits of more than \$75 will be asked to try to bring them up to \$100. If every agent in the company does this, Mr. Thompson said, the new \$100,000 goal will be attained.

## WANTED TWO MANAGERS

Rich territory and liberal terms. Never before have we made proposals as attractive as this. We must have a manager for one of the best cities in Michigan and another in Indiana.

Good producers, capable of organizing territory and managing men should lose no time in getting in touch with us. Write or wire in confidence.

## The Bankers Reserve Life Company

R. L. ROBISON, President

W. G. PRESTON, Vice-President

R. C. WAGNER, Secretary-Treasurer

Millions of Assets

Business in Force, over \$110,000,000

HOME OFFICE, OMAHA, NEBRASKA

## Selling Life Insurance with the help of Direct Mail Advertising

"YOU can double your Life business," we told our Field Force, "by using our Direct Mail Advertising System."

And we proved it, by actual figures showing the results of a test campaign in which the average production of those agents who used the System right, was about three times their average production the preceding year.

So, "You can double your Life business," was a conservative statement.

Our Direct Mail co-operation is only one feature of our policy to place at the disposal of our agents every possible tool which has been found to help in getting business.

This Company has general agency openings in: Illinois, Iowa, Indiana, Ohio, Minnesota, Missouri, Kansas, Oklahoma, Nebraska, Wyoming, South Dakota, Montana and Colorado. Any producer of Life or Accident and Health Insurance, who is not at present under contract with any other company, will do well to discuss things with us.

## Great Northern Life Insurance Company

HOME OFFICE: :: :: MILWAUKEE  
CHICAGO OFFICE: 110 S. DEARBORN ST.

# Empire Mutual

## Life Insurance Company

of the United States

Home Office  
KANSAS CITY, MISSOURI

EXECUTIVE OFFICES  
1700 I Street, N. W., Washington, D. C.

### FOR THE STATE OF MINNESOTA

An "old-time" state agency contract with satisfactory non-forfeiting renewal commissions and some "honest-to-goodness" cooperation now open to a man who can demonstrate ability to do a real job of agency building in that splendid state.

Address—Ralph H. Rice, President  
NATIONAL FIDELITY LIFE  
Insurance Company  
Home Office: Kansas City, Missouri

# K A N S A S

NOW OPEN

## ROCKFORD LIFE INSURANCE COMPANY

Write to  
Francis L. Brown, Secretary  
ROCKFORD, ILLINOIS

Even an  
Efficient  
Workman  
Needs  
Adequate  
Tools.

## MUTUAL LIFE OF ILLINOIS

H. B. HILL, President  
SPRINGFIELD, ILLINOIS

Agents are splendidly equipped with such tools as

- |                      |                      |                                |
|----------------------|----------------------|--------------------------------|
| 1. Non-Medical       | 6. Female Insurance  | 10. Health & Accident          |
| 2. Salary Savings    | Without Restrictions | 11. Direct Mail Advertising    |
| 3. Monthly Premium   | 7. Annual Dividend   | 12. Sales Promotion Department |
| 4. Juvenile Policies | 8. Non-Participating | 13. Educational Course         |
| 5. Payor Insurance   | 9. Sub-Standard      | 14. Sales Folio                |

Annual dividends payable on Non-Participating forms after 20 years.  
The famous 5 Point G. P. S. Policy—It's different—A sure fire business getter.  
Excellent General Agency Territory in Illinois, Indiana, Iowa, Michigan, Missouri, and Ohio.  
Write in strict confidence to F. M. FEFFER, Vice-President & Agency Director

### WITH INDUSTRIAL MEN

#### NEW DISTRICT IN PATERSON

Prudential Announces Several Promotions in Connection With Realignment There

Owing to a steady expansion of its business in Paterson, N. J., the Prudential has opened a new district in that city. M. H. Linnell, now superintendent there, will be in charge of Paterson No. 1 district under the new arrangement, retaining part of the territory he has been supervising.

The new Paterson No. 2 district will be in charge of Superintendent Gordon C. Deeth, promoted from assistant superintendent. Mr. Deeth has been a Prudential man since Feb. 11, 1911, when he was enrolled as an agent at Paterson. On Aug. 26, 1912, he was made an assistant superintendent, in which capacity he has since served.

In the reorganization of Paterson, three agents have received promotions and will become assistant superintendents. They are Milton H. Linnell, Jr., Frank A. Lach and John J. Radigan. Mr. Linnell is the son of Superintendent Linnell of Paterson No. 1 and was enrolled as an agent Nov. 23, 1925. Mr. Lach has been an agent since Oct. 13, 1924, and Mr. Radigan's service dates from Nov. 24, 1924.

#### John Hancock Promotions

The following named men have been promoted by the John Hancock Mutual Life from agents to assistant superintendents in the districts of their service: Emanuel J. Silva, Framingham (Hudson detached); Thomas N. McDaniel, East St. Louis (Granite City detached); Joseph A. Norris, Camden; Harvey F. Scott, South Bend; John F. Lynch, Columbus, Ohio; Richard J. Butler, Chicago 4; Armando Magno, Newark; Luther J. McGilvray, Detroit 5; Andrew C. Untener, Detroit 5; Ralph Marcum, Kansas City; Oswin W. Miller, Camden, N. J.; Arthur

W. Goulden, Allentown, Pa.; Frank Caplan, Baltimore; William C. Raley, Baltimore; Victor N. Carbone, New Haven; Frank E. Potter, Buffalo 2; Felix L. O'Neill, Lawrence; Allen J. Chabie, Detroit 1; Bernard J. Gorvin, Brighton; John T. Murphy, Fall River.

Eric O. Larson is promoted and transferred from agent at Flint, Mich., to an assistant at Chicago 7. Assistant James F. Scanlon is transferred from Buffalo 2, Niagara Falls detached, to Buffalo 2, Tonawanda detached.

#### Western & Southern Promotion

The Western & Southern Life has promoted W. E. Hochstetter, formerly assistant at Marion, O., to the superintendency of the Lorain district.

#### Metropolitan's Richmond Change

Arthur R. Blue has resigned as superintendent of the Richmond district of the Metropolitan Life and is succeeded by G. M. Rucker, transferred from Roanoke. Before he left Richmond his business associates presented him with a handsome loving cup. Mr. Blue was transferred to Richmond about ten years ago from New Orleans by the Metropolitan after serving the company there for some years.

### NEWS OF FRATERALS

#### YEOMEN ATTACKED IN SUIT

Accounting Asked on Handling of Reserve Fund—Question of Rate Increase Involved

DES MOINES, Dec. 9.—A suit involving the management and mode of procedure of the Brotherhood of American Yeomen, one of the largest fraternals in the country, was commenced this week before Walter I. Stewart, master in chancery.

The petition at the basis of the suit asks for an accounting from officers and directors of the Yeomen concerning their handling of a \$4,000,000 reserve fund. It also asks for an injunction to prevent collection of an increased assessment or rate increase on Class A memberships.

Attorneys for the plaintiffs sought to obtain from the referee a statement regarding what would be considered sufficient membership to carry with it the power of suit against the brotherhood. This was refused. Whether or not a membership is forfeited by failure to pay the increased assessment, if all other duties of the organization are performed, is a question which may be involved in the hearing. It is also threatened that through this question the entire controversy over the rate increase may be brought into the discussion.



## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and April respectively. PRICE, \$3.50 and \$2.00 respectively.

### 1927 Dividends of New England Mutual

		ORDINARY LIFE											
Age		15	20	25	30	35	40	45	50	55	60	65	
Prem. ....	Year	\$16.70	\$18.50	\$20.70	\$23.50	\$27.00	\$31.70	\$38.00	\$46.60	\$58.30	\$74.60	\$97.50	
1	.....	5.75	6.00	6.30	6.75	7.30	7.80	8.45	9.05	10.15	12.70	16.85	
2	.....	5.85	6.10	6.45	6.90	7.55	8.00	8.65	9.35	10.55	13.45	17.75	
3	.....	5.95	6.20	6.60	7.10	7.70	8.20	8.85	9.60	11.10	14.20	18.60	
4	.....	6.05	6.35	6.75	7.30	7.85	8.45	9.10	9.90	11.70	14.95	19.50	
5	.....	6.15	6.50	6.90	7.50	8.05	8.70	9.35	10.30	12.35	15.70	20.30	
6	.....	6.25	6.60	7.10	7.70	8.25	8.95	9.60	10.65	12.95	16.45	21.15	
7	.....	6.35	6.75	7.25	7.95	8.45	9.15	9.85	11.05	13.60	17.20	21.90	
8	.....	6.50	6.90	7.45	8.10	8.65	9.30	10.10	11.50	14.25	17.90	22.65	
9	.....	6.60	7.05	7.60	8.25	8.85	9.55	10.35	12.05	14.90	18.60	23.30	
10	.....	6.70	7.20	7.80	8.40	9.10	9.75	10.70	12.60	15.50	19.30	23.95	
11	.....	6.80	7.30	7.95	8.50	9.25	10.00	10.95	13.15	16.15	20.00	24.55	
12	.....	6.85	7.35	8.05	8.60	9.40	10.20	11.30	13.70	16.75	20.65	25.05	
13	.....	6.90	7.45	8.15	8.70	9.55	10.45	11.80	14.25	17.40	21.25	25.60	
14	.....	6.95	7.55	8.20	8.80	9.75	10.70	12.30	14.80	18.00	21.80	26.05	
15	.....	7.05	7.70	8.25	8.95	9.95	10.95	12.75	15.35	18.60	22.35	26.55	
16	.....	7.15	7.80	8.35	9.05	10.20	11.25	13.25	15.95	19.15	22.80	27.05	
17	.....	7.20	7.90	8.45	9.25	10.40	11.55	13.75	16.50	19.75	23.25	27.70	
18	.....	7.30	8.00	8.55	9.40	10.60	11.80	14.25	17.00	20.25	23.70	28.45	
19	.....	7.40	8.05	8.65	9.55	10.85	12.45	14.75	17.55	20.75	24.10	29.20	
20	.....	7.50	8.10	8.75	9.75	11.05	12.90	15.25	18.05	21.20	24.45	29.85	

20 PAYMENT LIFE												
Age	15	20	25	30	35	40	45	50	55	60	65	
Prem. ....	\$26.10	\$28.10	\$30.40	\$33.20	\$36.70	\$41.00	\$46.50	\$53.80	\$64.00	....	....	
Year												
1	5.85	6.10	6.40	6.85	7.40	7.90	8.55	9.10	10.20	....	....	
2	6.05	6.35	6.70	7.15	7.75	8.20	8.85	9.50	10.70	....	....	
3	6.25	6.55	6.95	7.45	8.05	8.55	9.15	9.85	11.25	....	....	
4	6.50	6.80	7.25	7.75	8.30	8.85	9.50	10.25	11.95	....	....	
5	6.75	7.10	7.60	8.10	8.60	9.25	9.85	10.70	12.65	....	....	
6	6.95	7.35	7.80	8.45	8.95	9.60	10.20	11.20	13.35	....	....	
7	7.20	7.60	8.10	8.80	9.25	9.95	10.60	11.65	14.00	....	....	
8	7.50	7.90	8.45	9.05	9.60	10.25	10.95	12.20	14.70	....	....	
9	7.75	8.20	8.75	9.40	9.95	10.60	11.35	12.85	15.40	....	....	
10	8.00	8.50	9.10	9.70	10.35	10.95	11.85	13.50	16.10	....	....	
11	8.25	8.75	9.40	9.95	10.65	11.35	12.25	14.10	16.75	....	....	
12	8.45	9.00	9.70	10.25	11.00	11.75	12.70	14.75	17.40	....	....	
13	8.70	9.20	9.95	10.55	11.35	12.15	13.35	15.40	18.05	....	....	
14	8.95	9.60	10.20	10.85	11.70	12.60	13.95	16.00	18.65	....	....	
15	9.25	9.90	10.50	11.15	12.10	13.05	14.55	16.65	19.20	....	....	
16	9.55	10.20	10.80	11.55	12.55	13.50	15.15	17.25	19.75	....	....	
17	9.80	10.55	11.15	11.90	12.95	14.00	15.75	17.80	20.20	....	....	
18	10.15	10.85	11.45	12.30	13.40	14.60	16.35	18.35	20.60	....	....	
19	10.45	11.15	11.85	12.75	13.90	15.20	16.95	18.85	20.90	....	....	
20	10.80	11.50	12.20	13.15	14.35	15.80	17.50	19.30	21.15	....	....	

		20 YEAR ENDOWMENT											
Age		15	20	25	30	35	40	45	50	55	60	65	
Prem.	Year	\$47.10	\$47.50	\$48.10	\$48.80	\$50.00	\$51.80	\$54.30	\$59.60	\$67.60	...	...	
1	.....	6.10	6.30	6.60	7.00	7.55	8.00	8.65	9.20	10.25	...	...	
2	.....	6.55	6.80	7.10	7.50	8.05	8.45	9.05	9.60	10.75	...	...	
3	.....	7.05	7.30	7.60	8.00	8.50	8.90	9.45	10.05	11.40	...	...	
4	.....	7.55	7.80	8.10	8.50	8.95	9.40	9.85	10.55	12.10	...	...	
5	.....	8.05	8.30	8.60	9.05	9.40	9.90	10.35	11.05	12.85	...	...	
6	.....	8.60	8.85	9.15	9.55	9.90	10.40	10.80	11.60	13.55	...	...	
7	.....	9.15	9.40	9.70	10.15	10.40	10.85	11.30	12.15	14.30	...	...	
8	.....	9.70	9.95	10.25	10.65	10.95	11.35	11.80	12.80	15.00	...	...	
9	.....	10.30	10.55	10.85	11.20	11.50	11.85	12.35	13.50	15.75	...	...	
10	.....	10.90	11.15	11.45	11.75	12.10	12.40	12.95	14.20	16.45	...	...	
11	.....	11.50	11.75	12.05	12.30	12.65	13.00	13.50	14.90	17.15	...	...	
12	.....	12.10	12.35	12.65	12.85	13.20	13.55	14.10	15.60	17.80	...	...	
13	.....	12.75	12.95	13.25	13.45	13.80	14.20	14.85	16.30	18.45	...	...	
14	.....	13.45	13.65	13.85	14.05	14.45	14.80	15.55	17.00	19.05	...	...	
15	.....	14.15	14.35	14.50	14.75	15.10	15.50	16.30	17.65	19.60	...	...	
16	.....	14.85	15.05	15.20	15.45	15.80	16.20	17.00	18.25	20.10	...	...	
17	.....	15.55	15.80	15.95	16.20	16.50	16.90	17.70	18.85	20.50	...	...	
18	.....	16.45	16.60	16.75	16.95	17.30	17.70	18.40	19.40	20.85	...	...	
19	.....	17.30	17.45	17.60	17.80	18.10	18.45	19.05	19.90	21.05	...	...	
20	.....	18.20	18.30	18.45	18.65	18.90	19.25	19.70	20.30	21.10	...	...	

#### Alabama National Life

The Alabama National Life of Birmingham, Ala., has recently announced a new line of child's endowment policies. The line includes a straight 20-year endowment, a 20-pay endowment at age 85, and endowments maturing from ages 16 to 21, inclusive. The plan provides for a minimum of \$500 on any form except the 20-pay endowment at age 85, and a maximum on any form of \$2,500. The benefits are graded for all ages under five years. Policies are written on children from one day old to age 9, nearest birthday, and if the child's insurance age is five or more the amount payable in any year in case of death will be the full face amount of the policy. A policy is automatically placed on full benefit as soon as age 5 is reached. For a small additional premium the company will also provide for a waiver of premiums in the event of death or total and permanent disability of the original beneficiary. The original beneficiary may be the mother, father or guardian of the child. The only requirement is that he or she must be engaged in a gainful occupation. Provision is also made for the premium waiver privilege in case the original beneficiary is impaired. If he can be accepted for regular insurance on a rated basis the premium for the waiver of premium benefit may be increased. Neither double indemnity or disability benefits are included in any of the child's policies. It is the intention of the company to consider applications only from a preferred class of risks.

#### Northwestern Mutual

The Northwestern Mutual Life has sent its dividend manual for 1927 to its general agents. The dividend scale is the same as that used in 1926, no changes whatever having been made.

#### Jefferson Standard

In the last issue it was announced that the Jefferson Standard 1927 dividend schedule would remain the same. This applies to preferred risk policies only.

#### News of the Prudential

Philbert M. Russell, superintendent of the Chicago district No. 8 of the Prudential, completed 25 years of service with the Prudential recently and was honored at a banquet given on Nov. 15 in Chicago. All of the Chicago superintendents attended as well as all the members of Mr. Russell's staff. D. L. Nealy, assistant superintendent in the same district, has completed his 35th anniversary with the Prudential. Likewise, T. S. Clement, assistant superintendent of the same district, has completed 30 years. This office has a number of other veterans attached to it. Assistant Superintendent M. S. Sominiski recently celebrated his 10 years



## THE SOUTHERN STATES LIFE INSURANCE COMPANY

ATLANTA, GEORGIA

**T**HE Southern States Life, organized in 1906, has an enviable record—20 years of honorable and successful relations with agent and policyholder.

During this time the company has been cultivating and serving well its field—Dixie.

Today there is opportunity in Dixie—the South is awaking industrially. To men who are unattached and to new men the Southern States has an attractive proposition.

Edw. S. Chadwick  
VICE-PRESIDENT AND MANAGER OF AGENCIES



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Life Health Accident

Life Policies—Disability Policies—Accident Policies

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40 Popular Life Forms

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WE WANT REPRESENTATIVES in Ohio, Indiana, Kentucky, Michigan, Pennsylvania, West Virginia, Texas, Oklahoma, California, Illinois.

TELL IT ALL in your first letter—your confidence will be duly respected pending your decision to accept or reject.

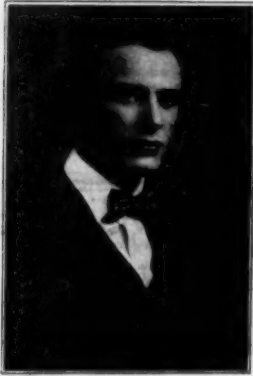
**THE OHIO STATE LIFE INSURANCE COMPANY**  
COLUMBUS, OHIO

If	If
Territory does make a difference	You are a producer
If	If
Close co-operation is necessary	You believe in yourself
If	If
A friendly interest is needed	You want a REAL job

Write or wire

S. M. CROSS, President

**COLUMBIA LIFE INSURANCE COMPANY**  
Cincinnati, Ohio



**Norman E. Andersen**

Special Agent (Chicago)  
Mutual Benefit Life of Newark

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with the company. Two agents, E. G. Elfrind and E. F. Klaska, celebrated their 10 and five-year anniversaries respectively.

M. Rotstein an agent for the Prudential in Chicago in the staff of C. H. Ford,

superintendent, recently celebrated his 20th anniversary. Mr. Rotstein is one of the big producers on Mr. Ford's staff. J. Reid celebrated his 15th anniversary with the Prudential. He is with Superintendent Burke.

## NEWS OF LOCAL ASSOCIATIONS

### LINCOLN ASSOCIATION ELECTS

**Fiscal Year Is Changed and C. B. Dobbs Made President for Half-Year Term**

LINCOLN, NEB., Dec. 9.—The Lincoln Association of Life Underwriters at the December meeting voted to amend the by-laws to provide for the fiscal year to end at the same time as that of the National association. For that reason officers were elected only for half a year, as follows: President, Chester B. Dobbs, Mutual Benefit; vice-president, Ralph L. Thiesen, Northwestern Mutual; secretary-treasurer, Harry L. Reed, Mutual Life of New York. The executive committee is composed of W. I. Fraser, Bankers Life of Des Moines; M. L. Palmer, Aetna Life and H. H. Loughridge, Equitable of Iowa.

M. A. Hyde, chairman of the insurance subdivision of the Lincoln chamber of commerce, told of how other cities had been lined up to follow the Lincoln example, and that the result had been not only to give the people of the cities a larger appreciation of the magnitude of the business of insurance as an institution, but it had awakened insurance agents themselves to the bigness of it and the opportunity for cooperative action.

#### Legislation Is Discussed

F. E. Helvey, secretary of the Insurance Federation of Nebraska, told of the federation's work and discussed insurance legislation.

E. J. Faulkner, vice-president of the Woodmen Accident, discussed the advantages of cooperative effort between the various lines of insurance in getting proper legislative recognition, but emphasized his belief that so far as the companies themselves are concerned the best results come from the employment of full time specialists in the particular line each company sells.

#### Dumont Tells of Plans

Commissioner Dumont discussed the plans he is making for better supervision and the possibilities of the department, given a full time actuary, more examiners, a lawyer-trained assistant and more time for himself to take care of the larger problems.

Resolutions were adopted in which the recent assault on Commissioner Dumont by M. F. O'Sullivan was roundly denounced as an act of anarchy, an attack on the sovereignty of the state, and an assault upon the one commissioner that had given a courageous and intelligent administration of affairs in the public interest.

**Kansas City, Mo.**—The Kansas City association will meet on Dec. 14 at the Kansas City Athletic Club. An unusually interesting and profitable meeting has been planned by Herley S. Daily, general agent for the Connecticut Mutual Life. It is expected that George D. Alder, president of the National association, will be in Kansas City for the meeting, and address the agents. Sam B. Strother, prominent lawyer of Kansas City, and former public administrator, will make an address on the subject "The Cost of Dying."

**Richmond, Va.**—In the essay contest sponsored by the Richmond association in connection with National Thrift Week in January, George T. Bryson, Sun Life of Canada, won first prize of \$15. Miss Mary C. Phillips, Mutual Life of New York, was awarded second prize, \$10; and the third prize of \$5 went to Charles W. Phillips, Atlantic Life. Thirteen papers were submitted.

### STRESSES EMOTIONAL APPEAL

**Russell S. King Says the Most Hard Boiled Prospect Has His Sentimental Side**

DES MOINES, Dec. 8.—Making men act through their emotions, is the best method of closing, Russell S. King, Chicago general agent for the Manhattan Life, told the Des Moines association last week. In that respect a life insurance salesman is much like an evangelist who sells religion and closes his "converts" through the emotional appeal, he declared.

Mr. King said in part: "There are three steps in making a sale: First,



**RUSSELL S. KING**

presenting a worth-while proposition; second, showing that insurance is the sure means of doing some one thing, and third, closing the proposition. In these three steps, a life insurance sale parallels the work of an evangelist who first points out the worth-while proposition of being saved, or going to heaven, then emphasizes religion as the means of accomplishing this, and third, closes his proposition with a direct appeal to the emotions.

"Men habitually put off three things: making a will, joining a church, and taking out life insurance. They can best be sold each one of these duties, through the emotional appeal. Men's minds differ in type, but all men have distinctive emotions and no matter how 'hard-boiled' the prospect, he can be closed by appealing to certain emotions and sentiments. Many men have been sold on life insurance and not closed. By the use of well planned stories and pictures, the life insurance salesman can oftentimes reach their emotional spots, where argument and logic can never penetrate."

**Cleveland, O.**—At the annual election of the Cleveland association the following officers were elected: E. A. Darmstadter, Massachusetts Mutual, president; Frank L. Klingbell, Prudential, first vice-president; Clarence A. Wolfram, Connecticut Mutual, second vice-president; E. Miller France, State Mutual Life, treasurer; Karl G. Gumm, Peoria Life, and Lloyd Hagerty, Phoenix Mutual Life, directors; E. B. Hamlin, National Life of Vermont, state committeeman.

**Quebec**—The following officers were elected at the annual meeting of the Life Underwriters' Association of the province of Quebec: President, A. H.

Vipond, New York Life; vice-president, J. A. Major, Great West Life; secretary, E. Stuart Taylor, Sun Life of Canada; treasurer and custodian, A. B. Haycock, Canada Life. All live in Montreal.

**Charlottesville, Va.**—The new local association covering Charlottesville and Albemarle county, Va., organized last week starts off with the following officers: John F. Paris, Pacific Mutual, president; Clarke Lindsey, Mutual Life, vice-president; Guy F. Via, Travelers, secretary-treasurer. A committee appointed to draft a suitable constitution and by-laws comprises Pace Bailey, Equitable of New York, chairman; E. E. Egan, Prudential; James F. Minor, Bankers Life. It was voted that the constitution and by-laws of the Richmond association should govern, pending action on a report from the committee.

**Sioux City, Ia.**—The Sioux City association is planning a one-day sales congress Feb. 1. Headquarters will be at the West Hotel. Rex Truesdell, the association president, heads the committee in charge. Prof. S. S. Huebner of the Wharton School of Finance, University of Pennsylvania, will be the principal speaker. An attendance of 200 is expected.

**North Texas**—H. T. Hinsch was elected president of the North Texas association at the annual meeting in Dallas. He succeeds Don Sterling who became chairman of the board. Dave O. Johnson was elected vice-president and Miss Katherine Thornton, secretary.

The chief address was by C. E. Calder, president of the Texas Power & Light Company, who discussed "The Place Life Insurance Has in Business." He told the underwriters the time has come when a life insurance policy plays almost as important a part in the business affairs of the ordinary community as a bank account or a bunch of stocks and bonds. He said more and more each year banks are inclining toward a policy of taking life insurance policies as one of the leading assets clients must have in applications for loans.

The association discussed plans for the annual sales congress, which will be worked out in a few days by a special committee and the date of the congress is announced.

**Richland County, O.**—The Richland County association held a meeting of unusual interest at Mansfield, O., a few evenings ago. The principal speaker was John M. Sarver, president of the Ohio State Life. His subject was "The Life Insurance Man and His Opportunities."

**Baltimore**—E. J. Berlet, general agent of the Guardian Life in Philadelphia, was the principal speaker at the monthly meeting of the Baltimore association Thursday.

Carville D. Benson, insurance commissioner of Maryland, who has just returned from attending the commissioners' convention, also spoke.

**New York City**—The New York association indicated last week that it is strongly behind the National Thrift Week project—Jan. 17-23—by the action of President W. R. Collins in appointing a committee of three to act as judges in the thrift essay contest. John C. McNamara, Guardian Life, is chairman of this committee and he is supported by Ralph Sanborn, State Mutual, and Horace Wilson, Equitable Life.

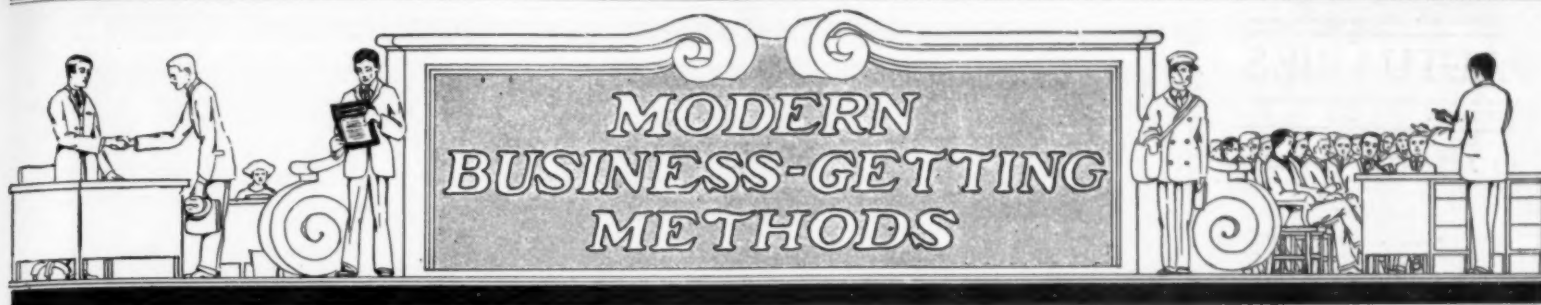
Mr. McNamara has asked that all life underwriters interested in the campaign submit essays of not more than 200 words on life insurance and thrift. The two best will be judged by Mr. McNamara's committee and then forwarded to Graham C. Wells, chairman of the joint thrift commission, to be entered in competition with essays sent in from all parts of the country.

The speakers' list for the December meeting of the New York association meeting next Tuesday will be Martin Conboy, prominent New York attorney, and Ralph G. Engelsman, prominent life underwriter. Mr. Conboy is taking the place of Judge Lynch of the supreme court who was compelled to cancel his speaking engagement.

Secretary F. P. McKenzie also announces that on Dec. 13 at the Hotel Astor about 25 prominent general agents and members of the executive committee of the association will entertain at a luncheon for about the same number of women guests, representing the various women's clubs of Greater New York. R. L. Jones, general agent here of the

(CONTINUED ON PAGE 32)





## L. A. Cerf, Jr., Shows Value of Using Program Insurance for the Smaller Prospects, if It Is Done Judiciously

L. A. CERF, JR., manager of the up-town New York branch of the L. A. Cerf agency of the Mutual Benefit, delivered one of the outstanding addresses of the year before last week's meeting of the Hart & Eubank agency of the Aetna Life, which is conducting an "All-Star" series of life insurance talks. Mr. Cerf spoke on program insurance, particularly discussing what he calls his "Little Program Plan."

"For many years," he said, "we have heard a lot about program insurance. When I first came into the business, it drew my attention. At that time it was used to write large policies on the lives of men of great wealth. I was young then and decided to modify the plan to men of moderate means. My scheme I call the 'Little Program Plan.' It is so simply, so easily learned that any man can fit it into his own work. Personally, I have never used a memorized talk on it.

"The big idea in this method is the 'two-interview' plan. First, call on a man and give him some idea of what

you can do for him. Find out what his requirements are. The first interview is not a selling interview. No attempt is made to sell life insurance. It is one in which data is secured. After this first call, draw up a plan for his needs. Then call on him the second time and sell insurance.

### Everyone Is Prospect for Program Insurance

"You might ask me, 'Who are prospects for program insurance?' My reply is, 'Every single one of your clients that you have now are prospects for program insurance.' There are only two things that prevent you selling program insurance to a man: First, if he is a very small policy owner (possibly \$1,000 or \$2,000), or lack of money; second, if he already has the service. These two things would eliminate a man.

"You can go over your own books and pick out ten, 20 or 30 people to whom you have sold \$5,000 or \$10,000 of insurance. Some of these men have never been programmed. They prob-

ably called up and said they wanted insurance. You went to see them, asked them what kind of a policy they wanted and wrote it. These men will bring your first source of prospects.

### Should Analyze Definite Purpose of Sale

"When I go in to see a man I say, 'I know you carry some life insurance, I sold you some myself. But, have you ever sat down and considered what the general method and plan of your insurance is? Is your insurance adapted to your family's requirements? Is it too much or not enough?' A man who buys insurance has some idea why he buys it. Sit down and analyze just what is going to happen when he steps out of the picture. Every man will talk to you if you can get to him at all on a friendly basis, on what is going to happen when he dies. A man may buy a \$5,000 or \$10,000 policy and not think much about it, but, if he is going to buy a large amount, he has to think.

"Now, if you can get a man to talk about his own situation, his plans and his home, you have got a basis for the building of your program.

"If you dig out a paper with a lot of questions on it, he will resent it. The thing is to get him to talk. You have got to know how much his income is,

what his estate is. Get him to discuss all his ideas.

### Helpful to Show Own Insurance Program

"Sometimes your prospect will say, 'I carry some life insurance. I figure if I die my wife will live with her people and go out to work.' Then you can say, 'Well, this is what I have done with my own insurance.' Then give him an outline of what you have done.

"The whole idea in the first interview is to get him to open up and tell you about himself. Fit life insurance to a man's scheme. Most men don't understand this, but when it is pointed out to them they will buy it. Life insurance not only lasts a lifetime but long after he is gone. A man must be more careful in his life insurance than in any other investment. If he goes wrong in his life insurance he cannot make it up. If he goes wrong in any other investment he has his lifetime to correct it.

### Does Not Believe in Budget, But in Plan

"Am I a believer in budgets? No, I am not.

"I think a mistake that most men make is that they try to tell their prospects too much instead of trying to get their prospect to talk. I never approach a man in the following manner, 'This is



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our new policy. It is a wonderful plan.' I am more interested in plans than I am in policy forms. I would rather ask questions than do all the talking. Most men have the idea that insurance men are great talkers. My idea is to get him to shoot at me. If I succeed in getting a man to tell me what he is putting away for life insurance, for other investment, and whether he lives in his own house, I then say, 'Here's how my insurance is arranged.' And then I show him how I have arranged my insurance to cover my needs. Some men even carry copies of their insurance programs with them and show them to the prospect.

#### Creates Added Interest by Arousing Curiosity

"We will presume you have gotten all the information you want. I try to arouse the man's curiosity a little and say, 'I cannot tell you what I will do for you yet. I have got to sit down and figure out your case. I am going to keep your affairs confidential. I am just going to use your initials so no one will know who it is. I am going to dope this thing out. In about a week or ten days I will give you a ring on the phone and if you will give me one-half hour of your time we will go over this. I made you no proposition so far. So, let's wait until I get this drawn up.' Most men will say, 'Tell me what you have in mind now. You must know what you are going to do.'

"Every man has got to have a certain amount of cash when he dies. He has got to have enough cash to keep his family going until things are settled. I try to make a minimum of \$5,000 in the way of cash. I am talking now about the smaller type of man, for whom \$5,000 is usually enough. That is what he needs. The minimum monthly income for his wife. Every man figures, 'Well, after the furniture is sold my family will probably have so much.' He really doesn't know how much his family is going to have. Maybe he figures that he will have \$1,000 or \$2,000 saved by that time. But, suppose he dies right away?

#### Tries to Develop Idea of Minimum Income

"I try to get my prospect to tell me what the smallest amount of money his family would require to live on—the minimum income they could live on. He probably has a good many ideas. One thing he never thinks about is their starving. He probably thinks \$35 or \$40 would be enough for them to live on. If he should say \$50, that is your minimum income. There is only one way he can be sure of their having that amount and that is insurance. I generally sell it for 20 years certain. However, that depends largely on the age of the children. I am talking about a man with moderate means. Talking about a simple presentation to your prospect. We will say \$5,000 for clean-up and \$17,000 for a guaranteed income. These two things are the keystones to your program.

#### Avoids Shooting Too High With Extras

"It is nice to talk about an educational policy for that boy of his, but, if his means are limited, I don't shoot too high. The biggest danger in selling programs is selling too high. He tells you what he would like to do. All in big terms. But, what a man would like to do and what he can do are two different things. Don't get away up in the air. If you can get this income down low enough and get him tied up to it you can sell it.

"When you get to the close you can say, 'You story your family needs it.' It is an old story of committing a man. Get a man to say he has got to do something and then get him to do it.

"After you have your program drawn up, go to see him and say, 'Well, Mr. Smith, here's your program, let's go over it.' Sometimes this isn't so successful as it might be because he might say, 'Just leave it here and I will look it over and

call you up and let you know what I think about it.' I think the best idea is to keep it in your pocket at first. Then say, 'Probably you are quite curious to know what I was doing with the information you gave me the other day. If I am wrong in any of these facts just tell me. You told me you were carrying about \$15,000 of life insurance; that if you died your wife would have to go to live with her parents and go out to work; that she would need about \$200 a month to keep her going.' I believe that if a man is really a salesman, this is where the salesmanship should come in. Paint a picture of these facts: 'Are your wife and children going to have to move away from their home? Move down to the slum district of New York? Or, are they going to have enough to buy a little place in the country or live in an apartment in the suburbs? Are they going to have to live on a lower scale than they are used to?'

"If this picture does not affect him, paint another picture. Show him the other side. Show him what insurance will do for him.

#### Uses Program as Supplementary Sales Force

"Up to this time I haven't shown him the program. If he is not coming my way I bring out the program. Tell him he can get practically all the money back that he put in this thing. All he is losing is the interest on his money. Money that will probably be spent foolishly any way. A program is not a sales talk. You have got to sell a man with a sales talk every time. Don't forget that. When I get to this point I say, 'This is what I have outlined for you.' Then you say, 'You look in pretty good shape and I am going to have our examiner come over here and check you over and see whether you are all right.' Right then and there he will say, 'Not so fast. I haven't made up my mind.' Your next reply, 'Let's commit the company. Let's find out for sure if you will get this.' I am not trying to tell you to go out and sell examinations. I know a good many men who are making money telling it that way.

"Life insurance as it is sold today is not sold on a sound basis. I try to sell a man a policy but I don't follow him up properly. The result is that four or five agents do the same work over and over again. If the work was done right in the first place one agent would be all that would be necessary to sell him. Become friendly with a man. It leads to further friendships and consequently more business. Endless chain idea.

"I believe that if this morning only two men start using this 'little program insurance' idea that in 1927 they will do more business than they did in 1926. Because of this method I believe I am using less foot work and more brain work."

#### Report on Security Mutual

The report of the New York department on the Security Mutual Life of Binghamton, N. Y., as of June 30, 1926, shows ledger assets of \$14,937,711, with total admitted assets of \$14,707,712. The total insurance in force was \$91,451,783. The report states that there is a pronounced curtailment in farm loans while loans on city property, especially in Detroit and Binghamton, have increased. Interest totaling \$47,403 on farm loans was in arrears at the time of the examination. The report states that 65 percent of the company's outstanding farm mortgages were placed in North Dakota and Minnesota. The trend of the company's business seems to be in favor of endowment annuity plans.

#### LOCAL ASSOCIATIONS

##### (CONTINUED FROM PAGE 30)

State Mutual, will be the chairman at this meeting, which is being held to discuss the possibilities of having life insurance men address ever one of the local women's clubs at least once each year. At the head of the representatives of the women's clubs will be Mrs. Wil-

liam B. Sporborg, president of the City Federation of Women's Clubs. The speakers at the luncheon will include Vice-President Griffin M. Lovelace of the New York Life, formerly director of the life insurance training course at New York University, Hugh D. Hart of the Hart & Eubank agency of the Aetna, and Miss Emma Ditzler, an outstanding producer of the P. M. Fraser agency of the Connecticut Mutual, who specializes in writing the lives of business and professional women.

\*\*\*  
Oklahoma—The December meeting of the Oklahoma association will be held Saturday noon, Dec. 11, in Oklahoma City.



Stephen M. Babbitt  
President

HUTCHINSON, KANSAS

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